
Armed Forces Retired Pay, Pensions etc

Introduction

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

RfR 1: Armed forces retired pay, pensions etc.

Increases:

Other increases

1. Revised AME forecast: to provide an additional £ 311,000, 000 in respect of the amount of interest paid on the opening balance pension scheme liabilities. The increase resulted from a revised Government Actuarial Department (GAD) assessment.
2. As a result of these changes there is no increase in the net cash requirement.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Armed forces retired pay, pensions etc. 311,000,000Total additional net resource requirement 311,000,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Ministry of Defence on:

RfR 1: Armed forces retired pay, pensions etc.

Payment of retired pay, pensions and lump sum benefits to persons covered by the scheme.

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

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

RfR 1: Armed forces retired pay, pensions etc.

Spending in Annually Managed Expenditure (AME)

RfR1 - A	Retired Pay, Pensions and other payments to Service Personnel and their dependants	3,484,782	311,000	-	311,000	3,795,782
	Total RfR1		311,000	-	311,000	

£000

	Present Provision	Change in Provision	New Provision
--	-------------------	---------------------	---------------

Capital and Cash

Total Capital Expenditure	-	-	-
Non-Operating AinA	-	-	-
Net cash requirement	1,662,493	-	1,662,493

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: Armed forces retired pay, pensions etc.	-	5,016,764	9,682	5,026,446	1,230,664	3,795,782	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Retired Pay, Pensions and other payments to Service Personnel and their dependants	-	5,016,764	9,682	5,026,446	1,230,664	3,795,782	-	-	
Total	-	5,016,764	9,682	5,026,446	1,230,664	3,795,782	-	-	

Part II: Resource to cash reconciliation

£'000

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
Net total Resources	3,484,782	311,000	3,795,782
Voted capital items			
Capital expenditure	-	-	-
<i>Less:</i> non-operating AInA	-	-	-
Total net voted capital	-	-	-
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-4,705,764	-311,000	-5,016,764
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-100	-	-100
Increase(-)/decrease (+) in creditors	41,238	-	41,238
Use of provisions	2,842,337	-	2,842,337
Total accruals to cash adjustments	-1,822,289	-311,000	-2,133,289
Excess cash to be CFERd	-	-	-
Net cash requirement	1,662,493	-	1,662,493

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Combined Revenue Account

	£'000
	2004-05 provision
Contributions Receivable	
Employers Contribution	-1,224,322
Employee contributions – normal	-
Employee contributions – purchase of added years	-1,486
Group and Individual Transfers in	-4,408
Other Income	-448
Income in excess of A in A to be CFER'd (accrued in year)	-
Income in excess of A in A to be CFER'd (cash rec'd in year)	-13,927
	-1,244,591
Expenditure	
Injury Benefit Provision	-
Injury Benefit Cash Release	-115,600
Increase in Liability due to Employee added years and transfers in and other income	5,894
Current Service costs	1,224,322
Past Service Costs	-
Interest on Scheme Liability	3,786,548
Other pensions expenditure not charged to provision	125,282
Benefits payable (incl Transfers out)	2,726,737
Release of Provision in line with payments	-2,726,737
	5,026,446
Net outgoings	3,781,855
Net Operating Costs	3,781,855
<i>of which:</i>	
Net Resource Outturn	3,795,782
<i>plus</i>	
CFERS	-13,927
Not voted	-
Resource Budget Outturn	3,795,782

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	3,795,782
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-13,927
Consolidated Fund extra receipts (CFERS) in the OCS	
Other adjustments	-
Net Operating Costs (Accounts)	3,781,855
<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	13,927
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	3,795,782
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-
Annually Managed Expenditure (AME)	3,795,782

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	-
<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	-
Capital Budget Outturn (Budget)	-
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	-
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Ministry of Defence, Sir Kevin Tebbit, as the Accounting Officer of the Department with responsibility for preparing the Department's Estimate of the Armed Forces Retired Pay, Pensions etc.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A inA)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Armed forces retired pay, pensions etc.		
Contributions receivable	1,224,322	-
Transfers In	4,408	-
Other Income	1,934	-
Total RfR1	1,230,664 *	-

*Amount that may be applied as appropriations in aid in addition to the net total, arising from accruing superannuation liability contributions and pension enhancements and transfers into the Armed Forces Pension Scheme.

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

1,230,664

Foreign and Commonwealth Office

Introduction

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

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community

Increases:

Take up of End Year Flexibility

1. Administration costs
£45,429,000
Section A1
2. Capital
£13,652,000
Section A7

Transfers from Central Funds

1. Efficiency Challenge Fund
£9,600,000
Section A2

Transfers from other government departments

1. PES Transfer from DTI
£136,000
Section A1
"Netting off" procedures introduced in April 2003
2. PES Transfer from DTI
£300,000
Section A1
Return to FCO of admin resource transferred in 2003-04
3. PES Transfer from the Home Office
£2,000,000
Section A2
Afghanistan Delivery Plan

Other Increases

1. DEL Reserve claim
£6,800,000; £14,500,000; £4,000,000
Sections A1, A7 and F3
FCO and British Council Security
2. DEL Reserve Claim
£6,139,000
Section A2
Afghanistan Delivery Plan

Decreases:Transfers to other government departments

1. PES Transfer to SIA
£19,000
Section A2
Planned programme activity
2. PES Transfer to DfT
£100,000
Section A2
'Hamilton Project'
3. PES Transfer to SIA
£500,000
Section A2
Good Governance Project

Neutral changes:Transfers within the RfR

1. £161,788,000
Sections A1 and A2
Reclassification of front-line activities from administration to programme

RfR 2 : Conflict Prevention**Increases:**Transfers from Central Funds

1. Drawdown balance of FCO Peacekeeping Main Estimate provision
£95,000,000; £73,000,000
Sections C3 and D3

Decreases:Transfers to other government departments

1. PES Transfer to SIA
£2,524,000
Section A3 and B3
Planned programme activity Sierra Leone
 2. PES Transfer to the Cabinet Office
£500,000
Section B3
Countries at Risk of Instability (CRI) Pilot
2. As a result of these changes there is an increase in the net cash requirement of £266,923,000.
 3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community	73,785,000
RfR 2: Conflict prevention	164,986,000
Total additional net resource requirement	238,771,000
Additional net cash requirement	266,923,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Foreign and Commonwealth Office on:

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community

Expenditure by the Foreign and Commonwealth Office including British Trade International, on its administration, Wilton Park Executive Agency, hospitality and facilities; international organisations, grants-in-aid to bodies supporting FCO objectives; scholarships, information services and sponsored visits; special payments and assistance programmes to support foreign policy objectives including human rights, good governance, international security and the fight against the illicit drug trade, the BBC Monitoring Service; on grant-in-aid to the BBC World Service for broadcasting and to the British Council; the refund of certain taxes and duties paid by certain Foreign and Commonwealth governments and international organisations; and on associated non-cash items.

RfR 2: Conflict prevention

Expenditure by the Foreign and Commonwealth Office on conflict prevention, early warning, crisis management, conflict resolution/peacemaking, peacekeeping and peacebuilding activity and on associated strengthening of international and regional systems and capacity.

The **Foreign and Commonwealth Office** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community

Spending in Departmental Expenditure Limits (DEL)

RfR1 - A	Administration international organisations programmes and BBC Monitoring subscriptions	853,983	69,785	-	69,785	923,768
RfR1 - F	British Council grant in aid	169,622	4,000	-	4,000	173,622
Total RfR1			73,785	-	73,785	

RfR 2: Conflict prevention

Spending in Departmental Expenditure Limits (DEL)

RfR2 - A	Sub - Saharan Africa - Programme expenditure	2,450	-100	-	-100	2,350
RfR2 - B	Global - Programme expenditure	30,000	-2,914	-	-2,914	27,086
RfR2 - C	Sub - Saharan Africa - Peacekeeping	38,000	95,000	-	95,000	133,000
RfR2 - D	Global - Peacekeeping	28,000	73,000	-	73,000	101,000
Total RfR2			164,986	-	164,986	
Total Changes to RfRs			238,771	-	238,771	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	92,571	28,152	120,723
Non-Operating A-inA	30,015	-	30,015
Net cash requirement	1,417,355	266,923	1,684,278

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: Promoting internationally the interests of the UK and contributing to a strong world community	842,490	462,734	350,807	1,656,031	163,584	1,492,447	120,723	30,015	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration international organisations programmes and BBC Monitoring subscriptions	690,576	250,591	146,185	1,087,352	163,584	923,768	120,723	30,015	
B BBC World Service Broadcasting grant in aid	-	194,143	-	194,143	-	194,143	-	-	
C Accruals consequences of DEL programmes: administration	151,914	-	-	151,914	-	151,914	-	-	
D BBC World Service - Capital grant	-	-	31,000	31,000	-	31,000	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
<i>Pension transfer</i>	-	-	-	-	-	-	-	-	
Non-budget									
E Reimbursement of certain duties taxes and licence fees	-	18,000	-	18,000	-	18,000	-	-	
F British Council grant in aid	-	-	173,622	173,622	-	173,622	-	-	
RfR 2: Conflict prevention	-	-	263,436	263,436	-	263,436	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Sub - Saharan Africa - Programme expenditure	-	-	2,350	2,350	-	2,350	-	-	
B Global - Programme expenditure	-	-	27,086	27,086	-	27,086	-	-	
C Sub - Saharan Africa - Peacekeeping	-	-	133,000	133,000	-	133,000	-	-	
D Global - Peacekeeping	-	-	101,000	101,000	-	101,000	-	-	
Total	842,490	462,734	614,243	1,919,467	163,584	1,755,883	120,723	30,015	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	1,517,112	238,771	1,755,883
Voted capital items			
Capital expenditure	92,571	28,152	120,723
<i>Less: non-operating A in A</i>	<u>30,015</u>	<u>-</u>	<u>30,015</u>
Total net voted capital	62,556	28,152	90,708
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-55,835	-	-55,835
Depreciation	-106,218	-	-106,218
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-260	-	-260
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-162,313	-	-162,313
Excess cash to be CFERd	-	-	-
Net cash requirement	1,417,355	266,923	1,684,278

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
<hr/>		
Net Administration Costs		
RfR1	793,006	
RfR2	-	
	<hr/>	
Total Net Administration Costs		793,006
Net Programme Costs		
RfR1	697,039	
RfR2	263,436	
Common Foreign and Security Policy	6,713	
	<hr/>	
Total Net Programme costs		967,188
Total Net Operating Cost		1,760,194
<i>of which:</i>		
Net Resource Outturn		1,755,883
CFERs		-2,402
Non-voted expenditure		6,713
Resource Budget Outturn		1,783,336
<hr/>		

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	1,755,883
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	6,713
Consolidated Fund extra receipts (CFERS) in the OCS	-2,402
Other adjustments	-
Net Operating Costs (Accounts)	1,760,194
<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	-18,000
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	2,402
resource consumption of non departmental public bodies	1,740
unallocated resource provision	37,000
Other adjustments	-
Resource Budget Outturn (Budget)	1,783,336
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	1,783,936
Annually Managed Expenditure (AME)	-600

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	90,708
<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	13,200
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	1,000
Other adjustments	-
Capital Budget Outturn (Budget)	104,908
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	99,508
Annually Managed Expenditure (AME)	5,400

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Foreign Office, Sir Michael Jay, as the Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Office's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community		
Refunds of salaries of seconded FCO staff	1,256	-
Sale of information material	49	-
Sales into Wider Markets	5,590	-
Income from sub-letting and receipts from sales of surplus material and equipment	110	-
Receipts at home and overseas from legalisation fees, telephone and postage recoveries, medical schemes recoveries, bank interest and other sundry receipts	5,335	-
Receipts from Government Departments	47,718	-
Overseas receipts relating to local budgets	2,572	-
Receipts for visa, and other services provided at consular offices	98,876	-
Lancaster House receipts from other customers	87	-
Wilton Park Executive Agency other customers	1,679	-
Distressed British nationals, repayment of advances	65	-
DFID payments to Commonwealth Foundation	247	-
Income from sale of fixed assets	-	30,015
Total RfR1	163,584 *	30,015 **

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Foreign and Commonwealth Office Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	238,771	1,564,261	219,675	1,783,936
Capital	28,152	90,708	8,800	99,508
Depreciation*	-	-106,218	-26,800	-133,018
Total	266,923	1,552,751	197,675	1,750,426

**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.*

The Administration Cost Limit has been increased by £4,665,000 from £788,341,000 to £793,006,000.

Cash which may be retained to offset expenditure

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

£'000

163,584

Department of Trade and Industry

Introduction

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

RfR 1: Increasing UK competitiveness

Increases:

Take up of End Year Flexibility

1. Administration costs
£2,530,000
RfR1: subhead H1
United Kingdom Trade and Investment
2. Administration costs
£452,000
RfR1: subhead J1
Insolvency Service Invest to Save
3. Administration costs
£1,310,000
RfR1: subhead M1
2 roof strategy
4. Programme costs
£10,210,000
RfR1: subhead A2
Rover Task Force
5. Programme costs
£5,800,000
RfR1: subhead A2
launch/delivery and evidence gathering for business support products
6. Programme costs
£2,000,000
RfR1: subhead A3
business links support to startup businesses
7. Programme costs
£75,000,000
RfR1: subhead A3
Modernisation of the Post Office Network
8. Programme costs
£350,000
RfR1: subhead A3
Cereals Industry Forum under the Industry Forum Adaptation Initiative
9. Programme costs
£700,000
RfR1: subhead B3
establishment of the Single Equality Body
10. Programme costs
£1,800,000
RfR1: subhead E3
UNITAS Release 2
11. Programme costs
£4,000,000
RfR1: subhead E3
University Innovation Centres

12. Programme costs
£5,000,000
RfR1: subhead E3
Manufacturing Package
13. Programme costs
£2,000,000
RfR1: subhead E3
University Innovation Centres capital grants
14. Programme costs
£20,000,000
RfR1: subhead F3
Coal Investment Aid capital grants
15. Programme costs
£900,000
RfR1: subhead G3
R&D related to offshore wind farms and Strategic Environment Assessment
16. Programme costs
£2,000,000
RfR1: subhead I3
roll out of Consumer Direct
17. Programme costs
£500,000
RfR1: subhead I3
Financial Reporting Council
18. Programme and capital costs
£268,000 and £424,000
RfR1: subheads J2 and J7
Ofcom
19. Programme costs
£3,000,000
RfR1: subhead K3
consultancy related to British Energy liabilities
20. Programme costs
£500,000
RfR1: subhead L3
emergency planning related to security of energy supply
21. Capital costs
£444,000
RfR1: subhead A7
Rover Task Force
22. Capital costs
£1,600,000
RfR1: subhead B7
Parental Leave
23. Capital costs
£15,500,000
RfR1: subhead E7
National Measurement System
24. Capital costs
£300,000
RfR1: subhead J7
Insolvency Service
25. Capital costs
£16,600,000
RfR1: subhead M7
2-roof strategy, MATRIX2 and e-purchasing

Non-Voted Resource

to utilise from the unused balance of the Department's End-Year Flexibility entitlement £185,000,000 for payments in respect of British Energy liabilities, £2,400,000 resource and £69,642,000 capital grants to the Regional Development Agencies and £300,000 for the Equal Opportunities Council.

Non-Voted Capital

to utilise from the unused balance of the Department's End-Year Flexibility entitlement £2,640,000 for the Regional Development Agencies.

Transfers from Central Funds

1. Efficiency Challenge Fund
£10,800,000
RfR1: subhead M3
accommodation strategy and the Pay and Workforce Strategy
2. Performance and Innovation Fund
£6,500,000 and £3,500,000
RfR1: subheads G2 and G7
renewable energy

Transfers from other government departments

- 1 Transfer from the Department for Education and Skills
£450,000
RfR1: subhead A2
National Council for Graduate Entrepreneurship
- 2 Transfer from the Cabinet Office
£2,585,000
RfR1: subhead M1
the Shareholder Executive
- 3 Transfer from the Department for Constitutional Affairs
£17,000
RfR1: subhead M1
Senior Salaries Pay Review Body
- 4 Transfer from the Cabinet Office
£17,000
RfR1: subhead M2
Senior Salaries Pay Review Body
- 5 There is also an increase of £77,169,000 in non-Voted resource DEL to reflect the transfer from the Office of the Deputy Prime Minister of non-cash budgets for the Regional Development Agencies.

Annually Managed Expenditure

- 1 Revised forecast
£500,000,000
RfR1: subhead P7
increased working capital facility for Royal Mail
- 2 Revised forecast
£1,600,000
RfR1: subhead S3
London Development Agency Corporation tax

Non Budget

- 1 Revised forecast
£300,000
RfR1: subhead U3
Equal Opportunities Commission Grant in Aid increased to match non-voted DEL
- 2 Revised forecast
£86,593,000
RfR1: subhead V3
Regional Development Agencies Grant in Aid increased to match non-voted DEL

- 3 Revised forecast
£1,010,000
RfR1: subhead Y3
Postwatch Grant in Aid increased to match non-voted DEL
- 4 Revised forecast
£1,665,000
RfR1 subhead: Y3
Postwatch Grant in Aid increased to reflect changes in cashflow requirements
5. Revised forecast
£300,000
RfR1 subhead: AA3
Coal Authority Grant in Aid increased to reflect changes in cashflow requirements

Other increases

- 1 Programme Costs
£962,000 and £25,000
RfR1: subheads J2 and J7
Utilisation of Ofcom Departmental Unallocated Provision
- 2 Classification change
£17,683,000
RfR1: subhead E3
National Measurement System Private Finance Initiative deal

Decreases:

Transfers to non-Voted spending

1. Programme costs
£2,000
RfR1: subhead A2
reclassification to Regional Development Agencies in relation to the Pan Government Ordnance Survey Agreement
2. Programme costs
£271,000
RfR1: subhead A2
reclassification to Regional Development Agencies to reflect funding of Smart and Enterprise Grant Teams and Business link regional teams co-location costs
- 3 Programme costs
£638,000
RfR1: subhead A2
reclassification to Regional Development Agencies to reflect delivery of Enterprise Fund grants in the regions
- 4 Programme costs
£11,000,000
RfR1: subhead D3
reclassification to Regional Development Agencies of Enterprise Fund expenditure

Transfers to other government departments

- 1 Administration costs
Transfer to the Foreign and Commonwealth Office
£136,000
RfR1: subhead H1
"Netting off" procedures introduced in April 2003
- 2 Administration costs
Transfer to the Foreign and Commonwealth Office
£300,000
RfR1: subhead H1
e business

- 3 Programme costs
Transfer to the Department for Environment, Food and Rural Affairs
£350,000
RfR1: subhead A3
Cereals Industry Forum under the Industry Forum Adaptation Initiative
- 4 Programme costs
Transfer to the Department for Constitutional Affairs
£350,000
RfR1: subhead M2
Civil Partnership Bill
- 5 Programme costs
Transfer to the Ministry of Defence
£2,200,000
RfR1: subhead L3
National Meteorological Programme and Severe Weather Warning Service
- 6 Programme costs
Transfer to the Department for Work and Pensions
£22,000,000
Office of the Deputy Prime Minister Main Estimate
European Regional Development Fund expenditure

Neutral Changes:

- 1 Increased Spending offset by income
£470,000
RfR1: subheads E1 and E5
increased gross expenditure and receipts for National Weights and Measures Laboratory
- 2 Programme to administration virement
£1,500,000
RfR1: subheads G2 and M1
the Liabilities Management Authority
- 3 Increased Spending offset by income
£350,000
RfR1: subheads H1 and H5
increased gross expenditure and receipts for United Kingdom Trade and Investment
- 4 Increased Spending offset by income
£1,010,000
RfR1: subheads I5 and Y3
Grant in Aid to Postwatch and increased receipts from licence fees
- 5 Increased Spending offset by income
£8,782,000
RfR1: subheads J1 and J5
Increase in gross admin spend and receipts for Insolvency Service reflecting reclassification of
- 6 Increased Spending offset by income
£2,000,000
RfR1: subheads J2 and J5
increased gross expenditure and receipts for the Spectrum Efficiency Scheme
- 7 Increased Spending offset by income
£20,062
RfR1: subheads J3 and J5
Insolvency Service
- 8 Increased Spending offset by income
£1,071,000
RfR1: subheads M1 and M5
Increase in gross admin spend and receipts reflecting increased receipts from other Government
- 9 Reduced Spending offset by reduced income
£7,782,000
RfR1: subheads M1 and M5
Reduction in gross Departmental admin spend and receipts reflecting reclassification of Redundancy Payments Service

2. As a result of these changes there is an increase in the net cash requirement of: £977,315,000

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

Part I

£

RfR 1: Increasing UK competitiveness	†	252,545,000
Total additional net resource requirement		252,545,000
Additional net cash requirement	†	977,315,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Department of Trade and Industry on:

RfR 1: Increasing UK competitiveness

Promotion of enterprise, innovation and increased productivity delivered through market solutions designed to meet market imperfections identified within the portfolios of innovation, international trade and investment, regional investment, enterprise for small firms and people & skills; support for business, including support for specific industries, small businesses, regional programmes and programmes to promote research and development, innovation, best practice and sustainable development; promotion of strong, fair and competitive markets at home and abroad including developing fair and effective legal and regulatory frameworks, measures to protect investors, measures to promote the interests of consumers, support for employment relations programmes and measures to promote a skilled and flexible labour market; support for energy-related activities including measures related to regulation, civil emergency planning, environmental remediation and support for new and sustainable energy sources, security, nonproliferation; safety, environment and social impact programmes relating to nuclear sites in Central and Eastern Europe and the Former Soviet Union and other countries where future G8 Global Partnership related initiatives may be pursued; the efficient management and discharge of liabilities falling to the Department including nuclear waste management and decommissioning and liabilities in respect of former coal and shipbuilding industry employees; provision of repayable credit facilities for British Energy and Royal Mail; petroleum royalties; exchange risk and other guarantee losses; subscriptions to international organisations and fulfilment of international treaty obligations; payments to other Government Departments in relation to programmes supporting DTI objectives; support for Government Offices; grants and grants-in-aid to organisations promoting DTI objectives, including Non Departmental Public Bodies; financial assistance to public corporations including Ofcom; managing the Government's shareholder interest in Royal Mail, British Energy, BNFL, UKAEA, Royal Mint, Partnerships UK and Actis; funding of the department's executive agencies; issuing budgets and making payments to Regional Development Agencies, to which other government departments will contribute by supplying resources which DTI will appropriate in aid; miscellaneous programmes including payments in respect of claims for the restitution of property of victims of Nazi persecution, compensation for distant water trawlermen and assistance to redundant steelworkers and dismissed miners; departmental administration costs and a share of the administration costs of UK Trade and Investment; payments towards the expenses of the Office of Manpower Economics; associated non-cash items

RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society

Research Councils; the Royal Society; the Royal Academy of Engineering; Office of Science and Technology initiatives; nuclear fusion; the University Challenge Fund; the Joint Infrastructure Fund; the Cambridge/Massachusetts Institute of Technology; the Council for the Central Laboratory of the Research Councils for Diamond Synchrotron; the Science Enterprise Challenge Scheme; the Science Research Investment Fund; Foresight Link Awards; the Department for Education and Skills, for the Higher Education Innovation Fund; exploitation of discoveries at public sector research establishments; the Foreign and Commonwealth Office for Chevening Scholarships; fees payable under the Animals (Scientific Procedures) Act 1986; Research Council pensions; capital and administration costs of the Office of Science and Technology and associated non-cash items.

The **Department of Trade and Industry** will account for this Estimate.

† *The function of the Shareholder Executive administration is being transferred from the Cabinet Office from 14 June. Within the overall changes sought in this Estimate, the specific changes related to this Machinery of Government transfer are: (i) for RfR1 the net resource requirement is increased by £2,585,000 and (ii) the net cash requirement for the Estimate is increased by £2,585,000.*

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Increasing UK competitiveness					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Commercial Best Practice and Enterprise	384,791	92,549	-	92,549	477,340
RfR1 - B Maximising Potential in the Workplace	80,287	700	-	700	80,987
RfR1 - D Strengthening Regional Economies	-1,204,945	-11,000	-	-11,000	-1,215,945
RfR1 - E Knowledge Transfer and Innovation	155,191	30,953	470	30,483	185,674
RfR1 - F Security of Energy Supply	-6,820	20,000	-	20,000	13,180
RfR1 - G Sustainability and the Environment	47,365	5,900	-	5,900	53,265
RfR1 - H Free and Fair World Markets	44,647	2,444	350	2,094	46,741
RfR1 - I Consumers and Competition	50,473	2,500	1,010	1,490	51,963
RfR1 - J Corporate Activity Framework	-5,327	32,526	30,844	1,682	-3,645
RfR1 - K Assets and Liabilities	136,423	3,000	-	3,000	139,423
RfR1 - L Nuclear Security and Export Control	51,525	-1,700	-	-1,700	49,825
RfR1 - M Activities in Support of all Objectives	353,024	9,168	-6,711	15,879	368,903
Spending in Annually Managed Expenditure (AME)					
RfR1 - S Strengthening Regional Economies	684	1,600	-	1,600	2,284
Non-budget					
RfR1 - U Maximising Potential in the Workplace	7,205	300	-	300	7,505
RfR1 - V Strengthening Regional Economies	1,451,160	86,593	-	86,593	1,537,753
RfR1 - Y Consumers and Competition	29,124	2,675	-	2,675	31,799
Total RfR1		278,508	25,963	252,545	

	Present Provision	Change in Provision	£'000 New Provision
Capital and Cash			
Total Capital Expenditure	19,551,673	538,393	20,090,066
Non-Operating AinA	19,151,242	-	19,151,242
Net cash requirement	5,853,226	977,315	6,830,541

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: Increasing UK competitiveness	439,815	399,762	3,371,775	4,211,352	1,834,394	2,376,958	20,089,868	19,151,094	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Commercial Best Practice and Enterprise	-	399,840	85,000	484,840	7,500	477,340	444	14,700	
B Maximising Potential in the Workplace	24,842	55,550	700	81,092	105	80,987	2,675	-	
C Finance for Investment	-	19,728	73,820	93,548	9,649	83,899	17,930	98,930	
D Strengthening Regional Economies	-	8,427	65,000	73,427	1,289,372	-1,215,945	-	-	
E Knowledge Transfer and Innovation	20,398	63,860	106,691	190,949	5,275	185,674	23,100	-	
F Security of Energy Supply	-	6,094	21,109	27,203	14,023	13,180	-	-	
G Sustainability and the Environment	-	36,463	17,000	53,463	198	53,265	3,500	-	
H Free and Fair World Markets	37,310	851	8,940	47,101	360	46,741	-	-	
I Consumers and Competition	-	42,739	19,817	62,556	10,593	51,963	-	-	
J Corporate Activity Framework	10,359	164,453	22,865	197,677	201,322	-3,645	13,358	30,551	
K Assets and Liabilities	-	41,127	108,457	149,584	10,161	139,423	-	-	
L Nuclear Security and Export Control	-	3,970	45,855	49,825	-	49,825	-	-	
M Activities in Support of all Objectives	346,906	17,837	10,880	375,623	6,720	368,903	28,861	6,910	
<i>Commercial Best Practice and Enterprise - Capital Modernisation Fund</i>	-	-	-	-	-	-	-	-	
<i>Knowledge Transfer and Innovation - Capital Modernisation Fund</i>	-	-	-	-	-	-	-	-	
<i>Security of Energy Supply - Capital Modernisation Fund</i>	-	-	-	-	-	-	-	-	
<i>Sustainability and the Environment - Capital Modernisation Fund</i>	-	-	-	-	-	-	-	-	
<i>Consumers and Competition - Capital Modernisation Fund</i>	-	-	-	-	-	-	-	-	

Part II: Revised subhead detail including additional provision (cont.)

	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	
<i>Consumers and Competition European Community Expenditure</i>	-	-	-	-	-	-	-	-	
<i>Support for Local Authorities</i>									
N Current Grants to the London Development Agency	-	-	154,997	154,997	116,248	38,749	-	-	
O Capital Grants to the London Development Agency	-	-	160,352	160,352	144,317	16,035	-	-	
Spending in Annually Managed Expenditure (AME)									
Central Government spending									
P Finance for Investment	-	-	-	-	-	-	20,000,000	19,000,000	
Q Corporate Activity Framework	-	272	614	886	3	883	-	-	
R Assets and Liabilities		-461,449	788,325	326,876	5	326,871	0	0	
<i>Activities in Support of all Objectives</i>	-	-	-	-	-	-	-	-	
<i>Support for Local Authorities</i>									
S Strengthening Regional Economies	-	-	2,284	2,284	-	2,284	-	-	
Non-budget									
T Commercial Best Practice and Enterprise	-	-	6,705	6,705	-	6,705	-	-	
U Maximising Potential in the Workplace	-	-	7,505	7,505	-	7,505	-	-	
V Strengthening Regional Economies	-	-	1,545,697	1,545,697	7,944	1,537,753	-	-	
W Security of Energy Supply	-	-	23,893	23,893	10,599	13,294	-	-	
X Free and Fair World Markets	-	-	700	700	-	700	-	-	
Y Consumers and Competition	-	-	31,799	31,799	-	31,799	-	-	
Z Corporate Activity Framework	-	-	392	392	-	392	-	3	
AA Assets and Liabilities	-	-	62,378	62,378	-	62,378	-	-	
<i>Knowledge Transfer and Innovation</i>	-	-	-	-	-	-	-	-	

Part II: Revised subhead detail including additional provision (cont.)

	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 2: Increasing Scientific Excellence in the UK and maximising its contribution to society	12,810	31,447	2,423,893	2,468,150	66	2,468,084	198	148	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Swindon Research Councils' Pension Scheme	-	31,140	-	31,140	-	31,140	-	-	
B The Royal Society	-	-	31,045	31,045	-	31,045	-	-	
C Royal Academy of Engineering	-	-	5,600	5,600	-	5,600	-	-	
D OST Initiatives	-	-	5,305	5,305	-	5,305	-	-	
E Knowledge Transfer	-	-	64,960	64,960	-	64,960	-	-	
F Cambridge/Massachusetts Institute of Technology	-	-	14,000	14,000	-	14,000	-	-	
G Foresight LINK Awards	-	-	2,000	2,000	-	2,000	-	-	
H Science Research Investment Fund	-	-	296,570	296,570	-	296,570	-	-	
I Science and Engineering Board Administration Costs	4,860	-	-	4,860	-	4,860	63	49	
J Transdepartmental Science and Technology Group Administration Costs	7,950	-	-	7,950	-	7,950	135	99	
<i>Joint Infrastructure Fund</i>	-	-	-	-	-	-	-	-	
<i>Nuclear Fusion</i>	-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
K Research Councils' Pension Schemes	-	132	10,000	10,132	66	10,066	-	-	
Non-budget									
L Biotechnology and Biological Sciences Research Council	-	-	268,390	268,390	-	268,390	-	-	
M Economic and Social Research Council	-	-	104,074	104,074	-	104,074	-	-	
N Engineering and Physical Sciences Research Council	-	-	486,414	486,414	-	486,414	-	-	
O Medical Research Council	-	-	408,208	408,208	-	408,208	-	-	
P Natural Environment Research Council	-	-	293,463	293,463	-	293,463	-	-	

Part II: Revised subhead detail including additional provision (cont.)

		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
Q	Particle Physics and Astronomy Research Council	-	-	268,657	268,657	-	268,657	-	-
R	Council for the Central Laboratory of the Research Councils	-	-	84,407	84,407	-	84,407	-	-
S	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron	-	-	80,800	80,800	-	80,800	-	-
T	Fees Payable under the Animals (Scientific Procedures) Act 1986	-	175	-	175	-	175	-	-
Total		452,625	431,209	5,795,668	6,679,502	1,834,460	4,845,042	20,090,066	19,151,242

Part II: Resource to cash reconciliation

£'000

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
Net total Resources	4,592,497	252,545	4,845,042
Voted capital items			
Capital expenditure	19,551,673	538,393	20,090,066
<i>Less: non-operating AinA</i>	<u>19,151,242</u>	<u>-</u>	<u>19,151,242</u>
Total net voted capital	400,431	538,393	938,824
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	366,775	-	366,775
Depreciation	-20,841	-	-20,841
New provisions and adjustments to previous provisions	-899,330	-	-899,330
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-243	-	-243
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-6,000	-	-6,000
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>1,419,937</u>	<u>186,377</u>	<u>1,606,314</u>
Total accruals to cash adjustments	860,298	186,377	1,046,675
Excess cash to be CFERd	-	-	-
Net cash requirement	5,853,226	977,315	6,830,541

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	424,217	
RfR2	12,810	
Total Net Administration Costs		437,027
Net Programme Costs		
RfR1	1,606,755	
RfR2	2,455,274	
National Insurance Fund	242,809	
Total Net Programme costs		4,304,838
Total Net Operating Cost		4,741,865
<i>of which:</i>		
Net Resource Outturn		4,845,042
CFERs		-345,986
Non-voted expenditure		242,809
Resource Budget Outturn		5,148,579

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	4,845,042
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	242,809
Consolidated Fund extra receipts (CFERS) in the OCS	-345,986
Other adjustments	-
Net Operating Costs (Accounts)	4,741,865
<i>Adjustments to remove:</i>	
capital grants to local authorities	-17,509
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	174,324
voted expenditure outside the budget	-568
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	6,145
resource consumption of non departmental public bodies	36,010
unallocated resource provision	96,112
Other adjustments	112,200
Resource Budget Outturn (Budget)	5,148,579
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	5,295,410
Annually Managed Expenditure (AME)	-146,831

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	938,824
<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	252,803
capital grants to local authorities	17,509
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	40,254
Other adjustments	-50,997
Capital Budget Outturn (Budget)	1,198,393
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	198,393
Annually Managed Expenditure (AME)	1,000,000

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department of Trade and Industry, Sir Robin Young, as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Office's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Increasing UK competitiveness		
Administration costs related to the promotion of enterprise, innovation and increased productivity	2,230	3,475
Small Firms' Loan Guarantee Scheme	8,950	-
Innovation in Support of Commercial Best Practice	-	14,700
Innovation in Support of Knowledge Transfer	4,250	-
Telecommunications and posts	3,278	-
Space	57	-
Small Business Service, including Farm Business Advice Service	7,500	-
Receipts from ODPM for RDAs	1,189,400	-
Receipts from ODPM for LDA	260,565	-
Receipts from Department of Education and Skills for RDAs	42,500	-
Receipts from UK Trade and Investment for RDAs	12,930	-
Receipts from DEFRA for RDAs	40,559	-
Receipts from DCMS for RDAs	3,600	-
Office of Communications (Ofcom)	80,000	-
Exchange Risk Guarantee Scheme	55	-
Aerospace and Launch Aid	-	98,930
Shipbuilding	644	-
Administration costs related to legal and regulatory framework and markets	4,087	3,435
Non-nuclear receipts of a regulatory nature (including Gas and Electricity Consumers Council	14,023	-
Non-nuclear receipts directly related to creation of open markets	198	-
Spectrum Efficiency	7,000	-
Consumer Protection	109	-
Postwatch	10,484	-
Trade Policy	10	-
External Legal Receipts	203	-
Coal Subsidence & Arbitration	77	-
Ring-fenced Coal Health Liabilities	5	-
Non-ring-fenced Coal Liabilities	10,034	-
Coal Operating Subsidy recoveries	50	-
Leader Network Project	133	-
Regional Selective Assistance	250	-
Working capital credit facility for the Post Office	-	19,000,000
European Regional Development Fund receipts	7,944	-
Petroleum Licensing	10,599	-
Privatisation Receipts	3	3
United Kingdom Trade and Investment	350	-
	1,722,077	19,120,543
On Vote Agencies		
Insolvency Service	111,044	-
Employment Tribunals Service	105	-
NWML	968	-
Other Govt Depts	200	-
Trading Funds		
Companies House	-	385
Patent Office	-	30,166
Total RfR1	1,834,394 *	19,151,094 **

* Amount that may be applied as operating appropriations in aid in addition to the net total, arising from the recovery of income from the European Union/ECSC and income relating to Regional Selective Assistance, flexible business support measures, the Small Business Service, Business Link Operators, Small Firms Loan Guarantee and other small firm support schemes, receipts from the Department of Environment, Food and Rural Affairs in respect of the Farm Business Advice Service, trade policy, e-commerce, energy and coal, innovation and technology support schemes, sectoral support, receipts from the Office of the Deputy Prime Minister, Department of Environment, Food and Rural Affairs, the Department for Education and Skills, the Department for Culture, Media and Sport and UK Trade and Investment in relation to Regional Development Agencies and the London Development Agency, the exchange risk guarantee scheme, national selective assistance to industry, the Office of Civil Nuclear Security, fees to advisers on privatisation and BNFL, and expenditure in the following areas: telecommunications, including licence fees, posts, civil aircraft research and demonstration,

aerospace, private sector shipbuilding, British Energy, redundant steelworkers, space, consumer and investor protection, employment relations including the promotion of Work-Life Balance, support for the construction industry, privatisation and the sale of shares, petroleum licensing and royalties; legal services, consultancy, publications, secondments, departmental administration costs, central services, European Fast Stream, executive agencies and trading funds, including income relating to Ofcom; receipts from the Postal Services Commission and Office of Gas and Electricity Markets to cover the costs of the relevant Consumer Councils; receipts in connection with the coal subsidence adviser and the coal operating subsidy; the receipt of distributions from coal industry pension schemes other than distribution of surpluses; income relating to the dissolution of British Coal Corporation; income from the Office of the Deputy Prime Minister in respect of the Framework V helpline; miscellaneous receipts from other Government Departments and other income from the Office of Gas and Electricity Markets.

** Amount that may be applied as non-operating appropriations in aid, arising from the recovery of income from the sales of fixed assets and from sale of land by the Department and its executive agencies, the repayment of loans to the aerospace industry and the Royal Mail and of loans to the trading funds.

RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society

Research Councils' Pension Schemes	66	-
Administrative Costs	-	148
Total RfR2	66 *	148 **

*Amount that may be applied as operating appropriations in aid in addition to the net total, arising from receipts for employees' and employers' contributions and transfer values received.

**Amount that may be applied as non-operating appropriations in aid, arising from the recovery of income from the sales of fixed assets and from sale of land.

Total A in A	1,834,460	19,151,242
---------------------	------------------	-------------------

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Departmental Expenditure Limit for the Department of Industry will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	486,509	1,049,695	4,245,715	5,295,410
Capital	41,033	-94,664	293,057	198,393
Depreciation*	-	-20,841	-93,159	-114,000
Total	527,542	934,190	4,445,613	5,379,803

**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.*

The Administration Cost Limit has been increased by £7,958,000 from £428,847,000 to £436,805,000.

Cash which may be retained to offset expenditure

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

£'000
20,985,702

UK Trade & Investment

Introduction

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

RfR 1: To enhance the competitiveness of companies in the UK through overseas trade and investment; and ensure a continuing high level of quality foreign direct investment

Increases

Take up of End Year Flexibility

1. Programme Spend End Year Flexibility
£2,000,000
Section A

This uptake is to meet the increased requirement for resources this year, particularly in the regions and on inward investment

Decreases

Transfers to other Government departments

1. Transfer (net) resources to Department of Transport
-£200,000
Section A

Transfer of (net) resources to Department of Transport in respect of the travel costs for the Special Representative of International Trade and Investment

Neutral changes

Change to Request for Resources Title

1. The Request for Resources Title has been changed from "RfR1: Enhanced competitiveness of companies in the UK through overseas sales and investment; and a continuing high level of quality foreign direct investment", as featured in the Main Estimate, to its structure above to reflect our revised objective.
2. As a result of these changes there is an increase in the net cash requirement of £1,800,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: To enhance the competitiveness of companies in the UK through overseas trade and investment; and ensure a continuing high level of quality foreign direct investment	†	1,800,000
Total additional net resource requirement		1,800,000
Additional net cash requirement		1,800,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the UK Trade & Investment on:

RfR 1: To enhance the competitiveness of companies in the UK through overseas trade and investments; and ensure a continuing high level of quality foreign direct investment

trade development and promotion and inward investment, including grants to the Regional Development Agencies (RDAs), associated capital and other related expenditure and associated non-cash items.

UK Trade & Investment will account for this Estimate.

† In the Main Estimate the RfR was entitled "Enhanced competitiveness of companies in the UK through overseas sales and investment; and a continuing high level of quality foreign direct investment".

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

RfR 1: To enhance the competitiveness of companies in the UK through overseas trade and investment; and ensure a continuing high level of quality foreign direct investment

Spending in Departmental Expenditure Limits (DEL)

RfR1 - A	Trade development and promotion and inward investment	97,287	1,800	-	1,800	99,087
	Total RfR1		1,800	-	1,800	

£000

	Present Provision	Change in Provision	New Provision
--	-------------------	---------------------	---------------

Capital and Cash

Total Capital Expenditure	248	-	248
Non-Operating AinA	-	-	-
Net cash requirement	99,453	1,800	101,253

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 enhance the competitiveness of companies in the UK through overseas trade and investment; and ensure a continuing high level of quality foreign direct investment	-	86,892	13,400	100,292	1,195	99,097	248	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Trade development and promotion and inward investment	-	86,882	13,400	100,282	1,195	99,087	248	-	
Spending in Annually Managed Expenditure									
<i>Central Government spending</i>									
B Trade development and promotion and inward investment	-	10	-	10	-	10	-	-	
Total	-	86,892	13,400	100,292	1,195	99,097	248	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	£'000 <u>Revised</u>
Net total Resources	97,297	1,800	99,097
Voted capital items			
Capital expenditure	248	-	248
<i>Less:</i> non-operating A in A	-	-	-
Total net voted capital	248	-	248
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	79	-	79
Depreciation	-187	-	-187
New provisions and adjustments to previous provisions	-30	-	-30
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	1,990	-	1,990
Use of provisions	56	-	56
Total accruals to cash adjustments	1,908	-	1,908
Excess cash to be CFERd	-	-	-
Net cash requirement	99,453	1,800	101,253

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	-	
Total Net Administration Costs		-
Net Programme Costs		
RfR1	99,097	
Total Net Programme costs		99,097
Total Net Operating Cost		99,097
<i>of which:</i>		
Net Resource Outturn		99,097
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		99,097

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	99,097
<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	-
Net Operating Costs (Accounts)	99,097
<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	-
Other adjustments	-
Resource Budget Outturn (Budget)	99,097
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	99,087
Annually Managed Expenditure (AME)	10

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	248
<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	-
Capital Budget Outturn (Budget)	248
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	248
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chief Executive of UK Trade & Investment, Sir Stephen Brown, as Accounting Officer of UK Trade & Investment with responsibility for preparing UK Trade & Investment's Estimate for programme expenditure.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A inA)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: To enhance the competitiveness of companies in the UK through overseas trade and investments; and ensure a continuing high level of quality foreign direct investment		
Trade development and promotion and inward investment: charges for international trade development services and other allowable income	1,195	-
Total RfR1	1,195 *	-

*Amount that may be applied as appropriation in aid in addition to the net total, arising from income relating to the provision of trade development and promotion services; asset sales; insurance claims; recovery of costs incurred on behalf of others; recovery of over payments.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the UK Trade & Investment Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	1,800	99,087	-	99,087
Capital	-	248	-	248
Depreciation*	-	-187	-	-187
Total	1,800	99,148	-	99,148

**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

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

£'000
1,195

Office of Gas and Electricity Markets

Introduction

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

RfR 1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry.

Increases

Increase in net cash requirement

1. To provide for an increase of £5,771,000 in accruals to cash adjustments resulting from the utilisation of provision following the surrender of an onerous lease contract. There is no change to gross or net total resources because the financial impact was taken in a previous financial year.
2. As a result of these changes there is an increase in the net cash requirement of £5,771,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

Additional net cash requirement**5,771,000**

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Office of Gas and Electricity Markets on:

RfR 1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry.

Administrative and operational costs, payments to DTI, co-operation with international regulators and associated non cash items

RfR 2: Expenditure in connection with the Climate Change Levy

The accreditation of renewable energy producers and certification of output under the Finance Act 2000.

The **Office of Gas and Electricity Markets** will account for this Estimate.

Part II: Changes proposed

			£000
	Present Provision	Change in Provision	New Provision
Capital and Cash			
Total Capital Expenditure	1,000	-	1,000
Non-Operating AinA	50	-	50
Net cash requirement	1,785	5,771	7,556

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: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry.	37,301	13,410	-	50,711	50,710	1	1,000	50	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Gas and Electricity Markets Authority: Administration	37,301	110	-	37,411	37,410	1	1,000	50	
B Payments to DTI	-	13,300	-	13,300	13,300	-	-	-	
RfR 2: Expenditure in connection with the Climate Change Levy									
	700			700		700			
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Gas and Electricity Markets Authority: Administration	700	-	-	700	-	700	-	-	
Total	38,001	13,410	0	51,411	50,710	701	1,000	50	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	701	-	701
Voted capital items			
Capital expenditure	1,000	-	1,000
<i>Less:</i> non-operating A in A	<u>50</u>	<u>-</u>	<u>50</u>
Total net voted capital	950	-	950
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	218	-	218
Depreciation	-1,250	-	-1,250
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-45	-	-45
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>1,211</u>	<u>5,771</u>	<u>6,982</u>
Total accruals to cash adjustments	134	5,771	5,905
Excess cash to be CFERd	-	-	-
Net cash requirement	1,785	5,771	7,556

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	-109	
RfR2	700	
Total Net Administration Costs		591
Net Programme Costs		
RfR1	110	
RfR2	-	
Total Net Programme costs		110
Total Net Operating Cost		701
<i>of which:</i>		
Net Resource Outturn		701
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		701

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	701
<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	-
Net Operating Costs (Accounts)	701
<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	-
Other adjustments	-
Resource Budget Outturn (Budget)	701
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	701
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	950
<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	-
Capital Budget Outturn (Budget)	950
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	950
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chief Executive of OFGEM, Alistair Buchanan, as Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Office of Gas and Electricity Markets is as follows:

Request for Resources 1 Alistair Buchanan Accounting Officer and Permanent Head of Department

Then as applicable:

Request for Resources 2 Alistair Buchanan, Accounting Officer and Permanent Head of Department

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry.		
Licence fees for Energywatch	13,300	-
Licence fees for Electricity and Gas	34,000	-
Recovery of costs of administering the Fossil Fuel Levy	110	-
Receipts in respect of rent charges to customers	3,300	-
Sale of capital assets	-	50
Total RfR1	50,710 *	50 **

*Amount that may be applied as appropriations in aid in addition to the net total, arising from regulation of monopolies and promoting competition, regulation of monopolies and promoting competition. Includes gas and electricity licence fees; recovery of costs for administering the Fossil Fuel Levy; income from fees and charges levied under the Gas Act 1986 and Electricity Act 1989, as amended by the Utilities Act 2000; receipts in respect of letting, disposal, vacation or occupation of property or accommodation and any other cost recovery receipts.

**Amount that may be applied as non-operating appropriations in aid arising from the sale of capital assets.

Departmental Expenditure Limits and Administration Costs Limits

The Office of Gas and Electricity Markets' Departmental Expenditure Limit and Administration Costs Limit will remain unchanged.

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	50,760
---	--------

Department for Environment, Food and Rural Affairs

Introduction

- This Supplementary Estimate is required for the following purposes:

RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well-being of rural and coastal communities and funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible

Increases:

Take up of End Year Flexibility

- Programme Resource, and Administration

Amount: £134,494,000

Sections: A, B, C, D, E and F

To increase resource other current for Animal Health and Welfare (Section A), Environmental Protection (Section B), Food Farming and Fisheries (Section C), Land Use and Rural Affairs (Section D), Departmental Operations (Section E) and Rural Payments Agency (Section F) by a total of £119,098,000

Administration cost increases to Animal Health and Welfare (Section A), Environmental Protection (Section B), Food Farming and Fisheries (Section C), Land Use and Rural Affairs (Section D), Departmental Operations (Section E) and Rural Payments Agency (Section F) by a total of £15,396,000

Transfers from Central Funds

Programme Resource

Amount: £4,400,000

Section: D

To increase resource other current for Land Use and Rural Affairs by take-up from the Efficiency Challenge Fund (£4,400,000)

Transfers from other government departments

- Amount: £7,809,000

Sections: B, C and E

To increase resource other current and administration for Environmental Protection (Section B) by transfers from Office of the Deputy Prime Minister (£451,000), Home Office (£100,000) Department for Transport (£219,000), and Scottish Executive (£250,000); Food Farming and Fisheries (Section C) by a transfer from DTI (£350,000); Departmental Operations (Section E) by transfers from Office of the Deputy Prime Minister (£6,314,000), Department for Transport (£125,000)

Increase in Provision

Amount: £584,354,000 offset by Appropriations in Aid increase of £302,168,000

Sections: I and P

To increase AME grants provision for Rural Payments Agency (£532,708,000) to cover latest Common Agricultural Policy payment forecasts for England (Section I); AME Appropriations in Aid for Rural Payments Agency (£10,646,000) to cover latest forecasts (Section I); non-budget grants provision for Rural Payments Agency (£51,646,000, including a decrease of £2,719,000 to structural funds income classified as negative expenditure) to cover latest forecasts (Section P); and non-budget Appropriations in Aid income (£291,522,000) based on latest forecasts (Section P)

Other increases

1. Classification changes

Amount: £25,456,000

To increase non-voted Resource for Environment Agency by a transfer from non-voted Capital (£25,456,000)

DecreasesTransfers to other Government Departments

Amount: £10,999,000

Sections: D and E

To decrease resource administration for Land Use and Rural Affairs (Section D) by a transfer to Office of the Deputy Prime Minister (£3,999,000); resource other current for Land Use and Rural Affairs (Section D) by transfers to the Department for Constitutional Affairs (£3,600,000) and the National Forestry Commission (£3,400,000)

Decrease in Provision

Amount: £95,000,000

To decrease non-voted Resource for Environment Agency (£95,000,000)

Other decreases

1 Classification changes

Amount: £25,456,000

To decrease non-voted Capital for Environment Agency by a transfer to non-voted Resource (£25,456,000)

Neutral ChangesToken Estimate

1. Ambit changes

Alteration of reference to 'grant-in-aid to Non-Departmental Public Bodies and Public Corporations' to 'grant-in-aid to Non-Departmental Public Bodies and subsidy to Public Corporations'

Addition of reference to 'management of inland waterways by the British Waterways Board'

Expenditure resting on the sole authority of the Appropriation Act

Addition of reference to the Great Bustard Project

2. As a result of these changes there is an increase in the net cash requirement of: £411,460,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well-being of rural and coastal communities and funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible	411,460,000
Total additional net resource requirement	411,460,000
Additional net cash requirement	411,460,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Department for Environment, Food and Rural Affairs on:

RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well-being of rural and coastal communities and funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible

environmental protection; support for measures which improve local environmental quality; pollution emergency response services; flood and coastal protection and land drainage; water partnership supply and sewerage services, including national security; support to the environmental protection industry for environmental technology and for measures to promote sustainable development; measures to reduce carbon dioxide emissions and improve energy efficiency, security and environmental practice; botanical services; radon measurement and support of remedial works campaigns; support for agriculture in special areas; food safety and hygiene; support for rural and regional development; assistance to production; marketing and processing in the agriculture, fisheries and food industries; assistance to the residuary Milk Marketing Board; cover for payment arising out of the Factortame group of claims following the House of Lords judgement in October 1999; emergency and strategic food services; plant health; support for the fishing industry; compensation payments to producers; grants and other financial support to voluntary bodies; support for measures to stimulate sustainable consumption of goods and services; countryside management and stewardship; conservation; national parks grants; support of countryside and wildlife initiatives; animal health and welfare; emergency measures, including foot and mouth eradication and compensation schemes; other services including emergency measures in relation to BSE; grant-in-aid to Non-Departmental Public Bodies and subsidy to Public Corporations; subscriptions and contributions to international organisations; surveys, monitoring, statistics, advice and consultancies; publicity, promotion, awareness and publications; commissioned and departmental research and development; specialist support services, management and development of staff, other departmental administration costs, regional restructuring costs; EU receipts; giving effect in the United Kingdom to the agricultural support provisions of the Common Agricultural Policy and England Rural Development Plan of the European Union including compensation payments to producers and support for agriculture in special areas, management of inland waterways by British Waterways Board and associated non-cash costs.

The **Department for Environment, Food and Rural Affairs** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Animal Health and Welfare	330,274	-62,473	-	-62,473	267,801
RfR1 - B Environmental Protection	680,517	3,472	-	3,472	683,989
RfR1 - C Food Farming and Fisheries	117,843	23,783	-	23,783	141,626
RfR1 - D Land Use and Rural Affairs	224,285	-37,764	-	-37,764	186,521
RfR1 - E Departmental Operations	391,858	2,440	-	2,440	394,298
RfR1 - F Rural Payments Agency	478,867	206,246	-	206,246	685,113
Spending in Annually Managed Expenditure (AME)					
RfR1 - I Rural Payments Agency	1,735,779	526,278	10,646	515,632	2,251,411
Non-budget					
RfR1 - P Rural Payments Agency	-2,187,292	51,646	291,522	-239,876	-2,427,168
Total RfR1		713,628	302,168	411,460	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	125,770	-	125,770
Non-Operating AinA	6,578	-	6,578
Net cash requirement	2,792,166	411,460	3,203,626

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: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well-being of rural and coastal communities and funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible	412,485	4,066,260	2,111,326	6,590,071	3,356,329	3,233,742	125,770	6,578	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Animal Health and Welfare	28,492	212,398	27,136	268,026	225	267,801	27,957	-	
B Environmental Protection	36,858	464,297	184,882	686,037	2,048	683,989	13,048	-	
C Food Farming and Fisheries	37,886	101,889	4,326	144,101	2,475	141,626	1,176	-	
D Land Use and Rural Affairs	22,489	116,796	49,324	188,609	2,088	186,521	23,973	-	
E Departmental Operations	247,931	155,800	5,245	408,976	14,678	394,298	23,111	6,578	
F Rural Payments Agency	-	685,113	-	685,113	-	685,113	9,305	-	
G Other Executive Agencies	38,829	-420	-	38,409	40,102	-1,693	27,200	-	
<i>Support for Local Authorities</i>									
H Environmental Protection	-	-	113,330	113,330	-	113,330	-	-	
<i>Food Farming and Fisheries</i>	-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
I Rural Payments Agency	-	2,312,033	-	2,312,033	60,622	2,251,411	-	-	
<i>Animal Health and Welfare</i>	-	-	-	-	-	-	-	-	
<i>Support for Local Authorities</i>									
J Rural Payments Agency	-	-	6,430	6,430	-	6,430	-	-	
Non-budget									
K Animal Health and Welfare	-	-	7,554	7,554	-	7,554	-	-	
L Environmental Protection	-	-	800,058	800,058	-	800,058	-	-	
M Food Farming and Fisheries	-	18,354	14,544	32,898	-	32,898	-	-	
N Land Use and Rural Development	-	-	74,275	74,275	-	74,275	-	-	
O Departmental Operations	-	-	17,299	17,299	-	17,299	-	-	

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	
P Rural Payments Agency	-	-	806,923	806,923	3,234,091	-2,427,168	-	-	
Total	412,485	4,066,260	2,111,326	6,590,071	3,356,329	3,233,742	125,770	6,578	

Part II: Resource to cash reconciliation

£'000

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
Net total Resources	2,822,282	411,460	3,233,742
Voted capital items			
Capital expenditure	125,770	-	125,770
<i>Less:</i> non-operating AInA	<u>6,578</u>	<u>-</u>	<u>6,578</u>
Total net voted capital	119,192	-	119,192
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-47,812	-	-47,812
Depreciation	-101,733	-	-101,733
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-75	-	-75
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	429	-	429
Increase(-)/decrease (+) in creditors	-117	-	-117
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-149,308	-	-149,308
Excess cash to be CFERd	-	-	-
Net cash requirement	2,792,166	411,460	3,203,626

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	361,217	
Total Net Administration Costs		361,217
Net Programme Costs		
RfR1	2,849,761	
Total Net Programme costs		2,849,761
Total Net Operating Cost		3,210,978
<i>of which:</i>		
Net Resource Outturn		3,233,742
CFERs		-22,764
Non-voted expenditure		-
Resource Budget Outturn		5,398,564

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	3,233,742
<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	-22,764
Other adjustments	-
Net Operating Costs (Accounts)	3,210,978
<i>Adjustments to remove:</i>	
capital grants to local authorities	-85,100
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	3,248,333
voted expenditure outside the budget	-838,069
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	22,764
resource consumption of non departmental public bodies	-160,342
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	5,398,564
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	3,069,125
Annually Managed Expenditure (AME)	2,329,439

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	119,192
<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	61,828
capital grants to local authorities	85,000
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	43,548
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget Outturn (Budget)	309,568
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	308,172
Annually Managed Expenditure (AME)	1,396

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Secretary, Sir Brian Bender, as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A inA)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well-being of rural and coastal communities and funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible		
EU funding	3,233,267	-
Fees and charges to external customers	35,888	-
Fees and charges to other departments	12,694	-
Other programme income	74,480	-
Sale of land and buildings	-	6,578
Total RfR1	3,356,329 *	6,578 **

*Amount that may be applied as appropriations in aid in addition to the net total, arising from eligible expenditure on farm grants, monitoring of Arable Area Payments Scheme, the UK Register of Organic Food Standards, decommissioning of fishing vessels, EC Leader Programme and Sector Challenge Grants. Receipts resulting from projects under the Wider Markets Initiative. Receipts from sale of carcasses and vaccine relating to Brucellosis and Tuberculosis eradication, Receipts from fees and charges on Local Veterinary Inspectors' work, public enquiries on salmon, whaling and inland fisheries, certification testing, National List and plant breeders' rights, commissioned surveys, studies and advice. Repayments of ATB Landbase redundancy fund and loans, SFIA loan capital and refund of SFIA grants. Rental income from ATB Landbase and from land managed by the Minister. Receipts in respect of the tide gauge network, work carried out by the Veterinary Laboratories Agency and NIAB Redundancy Fund. Recovery of shellfish enquiry expenses. Income from the provision of services to internal and external customers, including the secondment of staff and services to IBEA. Statutory receipts. Receipts from the sale or use of rights and assets. Rents from property. Receipts from the sale of information, including publications. Income from levies, licensing approvals, certification, inspections, registrations, supervision and extensification. Reimbursement of Defra expenditure, including EC receipts. Income from legal claims. Insurance recoveries, Other receipts and credits. Receipts in respect of environment protection and research (ex-DETR). Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income from transfers, bulletins and for receipts for CAP market support and from European Community Institutions.

**Amount that may be applied as non-operating appropriations in aid arising from the sale of surplus land and buildings and loan repayments.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Department for Environment, Food and Rural Affairs Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	66,160	2,387,335	681,790	3,069,125
Capital	-25,456	204,192	103,980	308,172
Depreciation*	-	-101,733	-97,117	-198,850
Total	40,704	2,489,794	688,653	3,178,447

*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.

The Administration Cost Limit has been increased by £18,078,000 from £339,494,000 to £357,572,000.

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	3,362,907

Expenditure resting on the sole authority of the Appropriation Act

RfR1 contains provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

		■	■	£'000
A to D	Payments for Committees and Tribunals	■		58
	Great Bustard Project		■	10

Forestry Commission

Introduction

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

RfR 1: To implement the programmes of the England Forestry Strategy

Increases:

Take up of End Year Flexibility

1. Programme Costs
£3,903,000
Section A
To take up resource DEL end of year flexibility to meet Woodland Grant Scheme commitments.

Transfers from other government departments

1. Programme Costs
£3,400,000
Section A
To transfer £3,400,000 resource DEL from the Department of Environment, Food and Rural Affairs, of which £3,000,000 is to compensate for reduced timber receipts and £400,000 is to fund dedication for public access for the freehold woodland element of the public estate.

RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally

Increases:

Take up of End Year Flexibility

1. Programme Costs
£1,000,000
Section A
To take up resource DEL end of year flexibility to meet the timing of VAT payments
2. Capital
£114,000
Section A
To take up capital DEL end of year flexibility for expenditure on office machinery and equipment.

Neutral changes:

Token Estimates

1. To correct the names of the accounting officers under request for resources 1 and 2 on the notes to the Main Estimate.
2. As a result of these changes there is an increase in the net cash requirement of: £5,963,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: To implement the programmes of the England Forestry Strategy	7,303,000
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally	1,000,000
Total additional net resource requirement	8,303,000
Additional net cash requirement	5,963,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Forestry Commission on:

RfR 1: To implement the programmes of the England Forestry Strategy

deliver the social, environmental and economic programmes of the England Forestry Strategy, connected to the distinctive needs of the Regions, through the promotion of forestry: and by managing of the Commission's estate regulating planting and felling and offering incentives.

RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally

provide advice and support to the UK government and to the devolved administrations in Scotland and Wales, represent the United Kingdom's forestry interests within the European Union and internationally, set standards for sustainable forest management and encourage good forestry practice, conduct forest research and protect forests from pests and disease.

The **Forestry Commission** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: To implement the programmes of the England Forestry Strategy					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Forestry Commission (England)	60,113	7,303	-	7,303	67,416
Total RfR1		7,303	-	7,303	
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally					
Spending in Departmental Expenditure Limits (DEL)					
RfR2 - A Forestry Commission (GB Core)	16,605	1,000	-	1,000	17,605
Total RfR2		1,000	-	1,000	
Total Changes to RfRs		8,303	-	8,303	

	Present Provision	Change in Provision	New Provision
£000			
Capital and Cash			
Total Capital Expenditure	790	114	904
Non-Operating AinA	-	-	-
Net cash requirement	56,785	5,963	62,748

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 implement the programmes of the England Forestry Strategy	-	72,916	-5,500	67,416	-	67,416	40	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Forestry Commission (England)	-	67,416	-	67,416	-	67,416	40	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B Forestry Commission (England)	-	5,500	-	5,500	-	5,500	-	-	
Non-budget									
C Forestry commission (England)	-	-	-5,500	-5,500	-	-5,500	-	-	
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally	-	16,505	1,100	17,605	-	17,605	864	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Forestry Commission (GB Core)	-	16,505	1,100	17,605	-	17,605	864	-	
Total	-	89,421	-4,400	85,021	-	85,021	904	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	76,718	8,303	85,021
Voted capital items			
Capital expenditure	790	114	904
<i>Less:</i> non-operating AinA	-	-	-
Total net voted capital	790	114	904
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-20,586	-6,049	-26,635
Depreciation	-1,070	-252	-1,322
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	324	-417	-93
Increase(+)/decrease (-) in debtors	1,162	2,671	3,833
Increase(-)/decrease (+) in creditors	-553	1,593	1,040
Use of provisions	-	-	-
Total accruals to cash adjustments	-20,723	-2,454	-23,177
Excess cash to be CFERd	-	-	-
Net cash requirement	56,785	5,963	62,748

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	-	
RfR2	-	
Total Net Administration Costs		-
Net Programme Costs		
RfR1	67,416	
RfR2	17,605	
Total Net Programme costs		85,021
Total Net Operating Cost		85,021
<i>of which:</i>		
Net Resource Outturn		85,021
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		93,752

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	85,021
<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	-
Net Operating Costs (Accounts)	85,021
<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	5,500
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	3,231
Resource Budget Outturn (Budget)	93,752
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	88,252
Annually Managed Expenditure (AME)	5,500

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	904
<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	-700
Capital Budget Outturn (Budget)	204
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	204
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director General of the Forestry Commission, Mr Tim Rollinson, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

The Treasury will also appoint an Additional Accounting Officer to be accountable for that part of the Department's accounts relating to a specified request for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Director General's overall responsibility as Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of Accounting Officer responsibilities in the Forestry Commission is as follows:

Request for Resources 1	Mr Paul Hill-Tout, Director England
Request for Resources 2	Mr Tim Rollinson, Director General of the Forestry Commission

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum the relationship between the Forestry Commission's Principal and Additional Accounting Officers, together with their respective responsibilities, will be set out in writing.

Departmental Expenditure Limits and Administration Costs Limits

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

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	8,881	85,021	3,231	88,252
Capital	114	904	-700	204
Depreciation*	-252	-1,322	-	-1,322
Total	8,743	84,603	2,531	87,134

**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.*

Office of Water Services

Introduction

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

RfR 1: Regulation of the Water Industry

Neutral changes

Increased spending offset by income

Amount: £301,000

Section: A

1. To increase spending on administration by £301,000 in Section A offset by an increase in appropriations in aid of £300,000 funded by deferred income.
2. There is no change to the net cash requirement as a result of this token Supplementary Estimate.
3. Symbols are explained in the Introduction to this booklet.

Part I

	£
RfR 1: Regulation of the Water Industry	1,000
Total additional net resource requirement	1,000
Additional net cash requirement	-

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Office of Water Services on:

RfR 1: Regulation of the Water Industry

Administration and operational costs and the provision of customer representation and associated non-cash items.

The **Office of Water Services** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

RfR 1: Regulation of the Water Industry

Spending in Departmental Expenditure Limits (DEL)

RfR1 - A	Office of Water Services	1	301	300	1	2
Total RfR1			301	300	1	

£000

	Present Provision	Change in Provision	New Provision
Capital and Cash			
Total Capital Expenditure	130	-	130
Non-Operating AinA	-	-	-
Net cash requirement	588	-	588

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: Regulation of the Water Industry	14,702	-	-	14,702	14,700	2	130	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Office of Water Services	14,702	-	-	14,702	14,700	2	130	-	
Total	14,702	-	-	14,702	14,700	2	130	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	1	1	2
Voted capital items			
Capital expenditure	130	-	130
<i>Less: non-operating A in A</i>	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	130	-	130
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	40	-	40
Depreciation	-346	-252	-598
New provisions and adjustments to previous provisions	-60	-30	-90
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-29	-3	-32
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	762	274	1,036
Use of provisions	<u>90</u>	<u>10</u>	<u>100</u>
Total accruals to cash adjustments	457	-1	456
Excess cash to be CFERd	-	-	-
Net cash requirement	588	-	588

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><i>Receipts</i></u>	<u>Income</u>	<u><i>Receipts</i></u>
Operating income not classified as A in A	-	-	748	748
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	<u>-</u>	<u>-</u>	<u>748</u>	<u>748</u>

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	<u>2</u>	
Total Net Administration Costs		2
Net Programme Costs		
RfR1	<u>-</u>	
Total Net Programme costs		-
Total Net Operating Cost		2
<i>of which:</i>		
Net Resource Outturn		2
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		2

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (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 (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	2
<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	-
Other adjustments	-
Resource Budget Outturn (Budget)	2
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	2
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	130
<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	-
Capital Budget Outturn (Budget)	130
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	130
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director General Philip Fletcher as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Regulation of the Water Industry		
Licence fees	14,700	-
Total RfR1	14,700 *	-

*Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts of licence fees.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Office of Water Services' Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	1	2	-	2
Capital	-	130	-	130
Depreciation*	-252	-346	-	-346
Total	-251	-214	-	-214

**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

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

£'000
14,700

Department for Culture, Media and Sport

Introduction

- This Supplementary Estimate is required for the following purposes:

RfR 1: Improving the quality of life through cultural and sporting activities

Increases

Take up of End Year Flexibility

- Administration Costs
£5,865,000
Subhead H2: take up of £500,000 from Administration EYF to meet costs of Broadcasting Reviews
Subhead I1: take up of Cash Management Bonus from 2002-03 of £63,000 and 2003-04 of £55,000 to Administration costs
Subhead I1: take up of Administration EYF to meet on-going commitments £5,247,000
- Programme Costs
£7,036,000
of which £2,186,000 voted DEL and £4,850,000 non voted DEL (Sections)
Subhead E2: take up of EYF in respect of Listed Places of Worship voted Resource DEL. £26,000
Subhead X 2 : Take up of voted Resource DEL EYF (CMF) in respect of Culture OnLine £2,160,000
Subhead O3: take up of non voted Resource DEL EYF in respect of Museums, Libraries and Archives Council £1,000,000; Public Lending Right £92,000; Strategic Commissioning £256,000; DCMS / Wolfson Improvement Fund £104,000 and associated increases to non bu
Subhead Q3: take up of Non Voted Resource DEL EYF to fund School Sports Co-ordinator programme £3,000,000
Subhead R3: take up of non voted Resource DEL EYF in respect of maintenance of Apsley House by English Heritage £123,000; the Royal Household £200,000 and corresponding increases to non budget Grant in Aid
Take up of non voted Resource DEL in respect of non cash requirements of £13,015,000
Take up of non voted Resource DEL to Tourism £75,000
- Capital Costs:
£96,433,000
of which:
£68,803,000 is CMF carry forward comprising £20,686,000 voted DEL and £48,117,000 non voted DEL
£18,400,000 Community Club Development Fund (Non Voted and associated non budget Grant in Aid Subhead Q3)
£409,000 British Museum Timeline of History (Non Voted and associated non budget Grant in Aid subhead O3)
£27,458,000 Spaces for Sport and Arts (Non Voted and associated non budget Grant in Aid Subhead W 3)
£1,850,000 Picketts Lock (Non Voted and associated non budget Grant in Aid Subhead W 3)
£11,347,000 Listed Places of Worship (Voted Subhead E3)
£9,339,000 Culture OnLine (voted Capital Subhead X 7)
£27,630,000 ERDF voted capital DEL
- Reserve Claim
£1,250,000
I2: Administration, Research and Other Surveys
To cover costs incurred in the sale of the TOTE

Transfers from other government departments

- 5 From DfES
£1,000,000
O3 Non Budget Grant in Aid and Non Voted Resource DEL
Contribution in respect of Strategic Commissioning: Museums and Galleries Education Programme
- 6 From DfT
£4,000,000
C3 Voted Resource DEL
Contribution in respect of Wembley development costs

Transfers from non-voted spending

Departmental Unallocated Provision

- 7 £1,115,000
From Non Voted Resource DEL to Voted Resource DEL to meet the costs of :
Subhead I2 PAHMD Research £350,000
Subhead A2 in respect of Capital of Culture 2008 £300,000
Subhead D2 in respect of AHED Review of Historic Environment £38,000
From Non Voted Resource DEL to Voted Capital DEL to meet the costs of :
Subhead G7 in respect of Tourism Licensing Database £427,000

DecreasesTransfers to other government departments

- 8 To DfES
£3,000,000
from Q3 Non Budget and Non Voted Resource DEL
Contribution in respect of School Sport Co-ordinators programme
- 9 To DfES
£23,000
I1 Administration Costs, Voted Resource DEL
Contribution in respect of staff costs of PESSCL
- 10 To MoD
£770,000
H2 Voted Resource DEL
Transfer of Met Office grant from DCMS to MoD
- 11 To DWP
£20,800,000
Voted Capital DEL
Repayment of ERDF/ESF loan from 2003-04

Neutral changesIncreased spending offset by income

- 12 £3,150,000
F2 and F5 Royal Parks Agency Appropriation in Aid
Increase in Voted DEL offset by a corresponding increase of Appropriations in Aid received in the course of business by the Royal Parks Agency

Transfers within the RfR

- 13 £300,000
Transfers to Subhead A2 from:
B2 in respect of EUCLID costs of £50,000
I2 in respect of Libraries and Communities Division Programme costs £250,000
- 14 £87,000
Transfers to Subhead B2 from:
D2 in respect of British Museum Africa project £37,000
D2 in respect of the London Symphony Orchestra £50,000
- 15 £940,000
A transfer to subhead C2 from C3 in respect of reclassification of Grant expenditure to Other Current expenditure
- 16 £3,807,000
A transfer from subhead C3 to Q3 non budget Grant in Aid to Sport England and associated non voted Resource DEL
- 17 £668,000
Transfers from subhead D3 to D2 in respect of Public Buildings £50,000 and reclassification of grant expenditure to other current expenditure £618,000
- 18 £33,000
A transfer from subhead G2 Resource DEL to G7 Capital DEL in respect of Tourism Licensing Database
- 19 £1,900,000
A transfer to subhead G3 voted resource DEL from non voted resource DEL and corresponding reduction to Grant in Aid for Tourism (subhead S3) in respect of a correction of classification of grant to the Greater London Authority
- 20 £41,000
A transfer to subhead R3 non budget Grant in Aid and associated non voted resource DEL from subhead D2 voted resource DEL in respect of ICOMOS funding transferred to English Heritage
2. As a result of these changes there is an increase in the net cash requirement of £80,701,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Improving the quality of life through cultural and sporting activities	70,902,000
Total additional net resource requirement	70,902,000
Additional net cash requirement	80,701,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Department for Culture, Media and Sport on:

RfR 1: Improving the quality of life through cultural and sporting activities

Support for national and other museums and galleries; the Government Indemnity Scheme; the British Library and other library and archive institutions and services; to the Arts and Sports Councils and for other arts and sports bodies and schemes; the Royal Palaces and Parks; historic buildings, ancient monuments and sites, certain public buildings, and national heritage and architecture; listed places of worship scheme; promotion of tourism; support to film bodies and projects; sponsorship of the music industry; the Welsh Fourth Channel Authority, the Office of Communications and certain broadcasting services and schemes; alcohol, gambling, film and video licensing; related research, surveys and other services; central administration costs; expenses of the National Lottery Commission; commemorative services and Royal funerals; the Queen's Golden Jubilee; transfer of pension values of certain bodies; expenses of Privatising the Tote and associated non-cash items.

RfR 2: Broadening access to a rich and varied cultural and sporting life through home broadcasting

Payments to the British Broadcasting Corporation for home broadcasting; and associated non-cash items.

The **Department for Culture, Media and Sport** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Improving the quality of life through cultural and sporting activities					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Museums, galleries and libraries	150	600	-	600	750
RfR1 - B Arts	766	37	-	37	803
RfR1 - C Sport	11,500	193	-	193	11,693
RfR1 - D Architecture and the Historic Environment	3,141	310	-	310	3,451
RfR1 - E Listed places of worship scheme	250	11,373	-	11,373	11,623
RfR1 - F The Royal Parks	26,151	3,150	3,150	-	26,151
RfR1 - G Tourism	63	1,867	-	1,867	1,930
RfR1 - H Broadcasting and media	96,906	-270	-	-270	96,636
RfR1 - I Administration, Research and other surveys	46,413	6,992	-	6,992	53,405
RfR1 - M Olympics	10,100	-5,400	-	-5,400	4,700
Non-budget					
RfR1 - O Museums, galleries and libraries	423,294	3,061	-	3,061	426,355
RfR1 - Q Sport	101,680	22,207	-	22,207	123,887
RfR1 - R Architecture and the Historic Environment	151,502	364	-	364	151,866
RfR1 - S Tourism	55,100	-1,900	-	-1,900	53,200
RfR1 - W Spaces for Sport and Art	-	29,308	-	29,308	29,308
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - X Culture Online	-	2,160	-	2,160	2,160
Total RfR1		74,052	3,150	70,902	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	6,657	9,799	16,456
Non-Operating AinA	-	-	-
Net cash requirement	3,850,399	80,701	3,931,100

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: Improving the quality of life through cultural and sporting activities	53,414	138,444	1,220,316	1,412,174	16,094	1,396,080	16,456	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Museums, galleries and libraries	-	750	-	750	-	750	-	-	
B Arts	-	805	-	805	2	803	200	-	
C Sport	-	1,440	10,253	11,693	-	11,693	-	-	
D Architecture and the Historic Environment	-	1,521	1,930	3,451	-	3,451	-	-	
E Listed places of worship scheme	-	276	11,347	11,623	-	11,623	-	-	
F The Royal Parks	-	33,157	-	33,157	7,006	26,151	1,880	-	
G Tourism	-	30	1,900	1,930	-	1,930	460	-	
H Broadcasting and media	-	96,153	483	96,636	-	96,636	-	-	
I Administration, Research and other surveys	53,414	2,151	-	55,565	2,160	53,405	4,577	-	
J National Lottery Commission	-	-	-	-	4,941	-4,941	-	-	
K Gambling, licensing and horseracing	-	-	-	-	1,985	-1,985	-	-	
L Queen's Golden Jubilee	-	1	-	1	-	1	-	-	
M Olympics	-	-	4,700	4,700	-	4,700	-	-	
<i>Commemorative services and Royal funerals</i>	-	-	-	-	-	-	-	-	
Non-budget									
N Regional Cultural Consortiums	-	-	1,600	1,600	-	1,600	-	-	
O Museums, galleries and libraries	-	-	426,355	426,355	-	426,355	-	-	
P Arts	-	-	365,455	365,455	-	365,455	-	-	
Q Sport	-	-	123,887	123,887	-	123,887	-	-	
R Architecture and the Historic Environment	-	-	151,866	151,866	-	151,866	-	-	
S Tourism	-	-	53,200	53,200	-	53,200	-	-	
T Broadcasting and media	-	-	27,710	27,710	-	27,710	-	-	

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	
U National Lottery Commission	-	-	4,942	4,942	-	4,942	-	-	
V Gambling, licensing and horseracing	-	-	5,380	5,380	-	5,380	-	-	
W Spaces for Sport and Art	-	-	29,308	29,308	-	29,308	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
X Culture Online	-	2,160	-	2,160	-	2,160	9,339	-	
RfR 2: Broadening access to a rich and varied cultural and sporting life through home broadcasting									
	-	-	2,525,937	2,525,937	-	2,525,937	-	-	
Non-budget									
A Home broadcasting	-	-	2,525,937	2,525,937	-	2,525,937	-	-	
Total	53,414	138,444	3,746,253	3,938,111	16,094	3,922,017	16,456	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	£'000 <u>Revised</u>
Net total Resources	3,851,115	70,902	3,922,017
Voted capital items			
Capital expenditure	6,657	9,799	16,456
<i>Less: non-operating A in A</i>	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	6,657	9,799	16,456
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,510	-	-2,510
Depreciation	-4,867	-	-4,867
New provisions and adjustments to previous provisions	4	-	4
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-7,373	-	-7,373
Excess cash to be CFERd	-	-	-
Net cash requirement	3,850,399	80,701	3,931,100

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
<hr/>		
Net Administration Costs		
RfR1	51,254	
RfR2	-	
	<hr/>	
Total Net Administration Costs		51,254
Net Programme Costs		
RfR1	1,343,954	
RfR2	-158	
	<hr/>	
Total Net Programme costs		1,343,796
Total Net Operating Cost		1,395,050
<i>of which:</i>		
Net Resource Outturn		3,922,017
CFERs		-2,526,967
Non-voted expenditure		-
Resource Budget Outturn		2,494,601
<hr/>		

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	3,922,017
<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	-2,526,967
Other adjustments	-
Net Operating Costs (Accounts)	1,395,050
<i>Adjustments to remove:</i>	
capital grants to local authorities	-22,456
capital grants financed from the Capital Modernisation Fund	-11,347
European Union income and related adjustments	18,456
voted expenditure outside the budget	-2,525,937
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	2,526,967
resource consumption of non departmental public bodies	128,131
unallocated resource provision	25,737
Other adjustments	960,000
Resource Budget Outturn (Budget)	2,494,601
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,534,601
Annually Managed Expenditure (AME)	960,000

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	16,456
<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	129,935
capital grants to local authorities	22,456
capital grants financed by the Capital Modernisation Fund	11,347
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	300
Other adjustments	1,050,000
Capital Budget Outturn (Budget)	1,230,494
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	180,494
Annually Managed Expenditure (AME)	1,050,000

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed Mrs Sue Street as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Department for Culture, Media and Sport is as follows:

Request for Resources 1: Sue Street, Principal Accounting Officer and Permanent Head of Department

Request for Resources 2: Sue Street, Principal Accounting Officer and Permanent Head of Department

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Improving the quality of life through cultural and sporting activities		
Income from Fees & Charges	7,006	-
Income from licences	1,985	-
Income from other sales	2	-
Recovery of costs	7,101	-
Total RfR1	16,094 *	-

*Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts by the Government Art Collection from sale of prints, hire of transparencies, copyright fees, etc; recovery of ceremonial costs; recovery of costs for repairs to listed buildings; fees and charges for licences and receipts from concessionaires and sponsors; proceeds from the sale of properties; Royal Parks Agency fees and charges for licences, rents, gardening services, sports charges, unclaimed lost property, sponsorship and receipts for private use of telephones, and proceeds from the sale of properties; repayment of loans in connection with film development projects, fees for self help TV transmission licences, EU receipts; receipts from the National Lottery Distribution Fund to meet the cost of its administration by the Department for Culture, Media and Sport and of the expenses of the National Lottery Commission; receipts from the National Lottery operator's licence fees; and recoveries from the issue of licensing certificates for gaming machines and operators of gaming establishments, and recovery of costs arising from the sale of the Tote.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Department for Culture, Media and Sport Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	79,720	191,030	1,343,571	1,534,601
Capital	98,732	50,259	130,235	180,494
Depreciation*	-6,701	-4,867	-94,447	-99,314
Total	171,751	236,422	1,379,359	1,615,781

*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.

The Administration Cost Limit has been increased by £5,342,000 from £45,912,000 to £51,254,000.

Cash which may be retained to offset expenditure

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

£'000
16,094

Expenditure resting on the sole authority of the Appropriation Act

The following RfR contains provision sought under the sole authority of Part 1 of the Estimate and the confirming Appropriation Act

Section and Service	£'000
RfR 1: C3 Chess ■	60
RfR 1: E2 Listed places of worship scheme ■	0
RfR 1: L3 Queen's Golden Jubilee ■	1
RfR 1: O3 Geffrye Museum ■	1,811
RfR 1: O3 Horniman Museum and Gardens ■	3,659
RfR 1: O3 Museum of Science and Industry in Manchester ■	3,509
RfR 1: O3 Museums, Libraries and Archives Council ■	13,458
RfR 1: P3 Arts Council of England ■	365,455
RfR 1: D3 Chatham Historic Dockyard Trust ■	300
RfR 1: R3 Commission for Architecture and the Built Environment ■	4,030
RfR 1: T3 UK Film Council ■	24,910

Department for Work and Pensions

Introduction

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

RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need

Increases:

Take up of End Year Flexibility

1. Administration costs and capital
Amount: £1,005,000
Section F
Reason: Additional spending by the Rent Service £542,000 administration costs and £463,000 capital
2. Administration costs
Amount: £87,000,000
Section A
Reason: Additional spending by Working Age
3. Other current
Amount: £10,000,000
Section B
Reason: Additional spending on Employment Programmes
4. Grants
Amount: £48,000,000
Section I
Reason: Additional spending on Housing and Council Tax Benefit administration grants
5. Administration costs
Amount: £5,798,000
Section C
Reason: Additional spending by the Health and Safety Executive

Transfers from other Government Departments

1. Other current
Amount: £23,000,000
Section B
Reason: transfer from the Department for Education and Skills for Basic Skills programmes
2. Grants
Amount: £9,200,000
Section I
Reason: transfer from the Welsh Assembly for expenditure on Administration Subsidy

Other increases

1. Administration
Amount: £255,000
Section A
Reason: a transfer from RfR3 to Extended Working Lives Division

2. Administration
Amount: £118,000
Section A
Reason: a transfer from RfR6 in connection with Masters Degree training for Economists
3. Revised AME forecast
Annually Managed Expenditure
Amount: £800,000,000
Section N
Reason: Revised forecast of expenditure on Income Support

Decreases

Transfers to other Government Departments

1. Other current
Amount: £28,000
Section A
Reason: a transfer to the National Assembly for Wales for Work Based Learning for Adults
2. Other current
Amount: £5,659,000
Section B
Reason: transfers to the Department for Education and Skills of £4,416,000, the Scottish Executive £1,059,000 and the Welsh Assembly £184,000 for Sure Start
3. Other current
Amount: £87,000
Section A
Reason: a transfer to the Department for Education and Skills for evaluation of the Neighbourhood Nursery Initiative
4. Administration
Amount: £77,000
Section C
Reason: a transfer to the Department for Transport due to a transfer of posts in relation to the Carriage of Dangerous Goods

Other decreases

1. Administration
Amount: £319,000
Section A
Reason: a transfer to RfR6 for Debt Management Services non cash costs
2. Administration
Amount: £546,000
Section A
Reason: a transfer to RfR6 in respect of staff moving from Job Centre Plus to Information and Analysis Directorate
3. Administration
Amount: £8,560,000
Section A
Reason: a transfer to RfR6 to cover costs in connection with the ex-Employment Service estate which will now be borne corporately

4. Administration
Amount: £225,000
Section A
Reason: a transfer to RfR6 for part of the costs of the Worktrain programme
5. Administration
Amount: £1,334,000
Section A
Reason: a transfer to RfR6 in respect of the movement of the Work Measurement Team to Internal Assurance Services
6. Administration
Amount: £13,000,000
Section A
Reason: a transfer from Job Centre Plus to RfR6 for additional funding for Estates
7. Administration
Amount: £11,045,000
Section A
Reason: a transfer to RfR4 for Disability and Carer Services' share of the Medical Services Contract
8. Other current
Section A
Amount: £ 22,000
Reason: a transfer to RfR6 for a Joint International Unit secondment
9. Administration
Amount: £94,000
Section A
Reason: a transfer of responsibility for work measurement from RfR2 (Fraud Strategy Unit) to RfR6 (Internal Assurance Services)
10. Administration
Amount: £180,000,000
Section A
Reason: a transfer of provision to RfR3 £50,000,000, RfR4 £30,000,000 and RfR6 £100,000,000 due to an internal reallocation of resources

Neutral changes

1. Other current
Amount: £1,000,000
Sections A and C
Reason: a transfer to Section C the Health and Safety Executive for Workers Safety Advisors
2. Capital
Amount: £60,000,000
Sections C and D
Reason: a transfer of provision from Section C the Health and Safety Executive to Section D the Health and Safety Laboratory
3. Other current
Amount: £9,866,000
Section A
Reason: a revised calculation of the amount due from the National Insurance Fund leading to an increase in appropriations in aid and an equivalent increase in non-voted DEL

4. Administration
Amount: £2,686,000
Section A
Reason: an increase in forecast appropriations in aid leading to an equivalent increase in administration expenditure
5. Administration
Amount: £775,000
Section B
Reason: a decrease in forecast appropriations in aid leading to an equivalent decrease in administration expenditure
6. Net Administration Costs
Amount: £649,000
Section D
Reason: a decrease in forecast appropriations in aid leading to an equivalent decrease in administration expenditure
7. Other current
Amount: £7,500,000
Sections A, B, C, D, H
Reason: an overall reduction in forecast appropriations in aid of £7,500,000 leading to an equivalent decrease in other current expenditure of £211,000 in Section A, £5,022,000 in Section B, £152,000 in Section D, £3,250,000 in Section H and an increase of £1,135,000 in Section C.
8. Capital
Amount: £3,746,000
Sections C and D
Reason: an overall increase in appropriations in aid of £3,746,000 in Sections C and D leading to an equivalent increase in capital expenditure of £217,000 in Section C and £3,529,000 in Section D
9. Other current and Capital
Amount: £50,000,000
Sections A and B
Reason: a transfer of provision from resource in Section B to capital in Section A in connection with the roll-out of Job Centre Plus
10. Administration
Amount: £331,000,000
Sections A and B
Reason: a transfer of provision from Section B to Section A to reflect where Job Centre Plus roll out expenditure will be brought to account
11. Administration and other current
Amount: - £743,000
Section D
Reason: a transfer of a forecast profit on disposal of fixed assets from administration to other current
12. Administration and other current
Amount: £295,000
Section C
Reason: a transfer from administration to other current in respect of secondments

RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners**Increases:**Transfers from non-voted spending

1. Administration
Amount: £2,400,000
Section A
Reason: drawdown from the Departmental Unallocated Provision for additional costs associated with the Financial Assistance Scheme and the Pension Credit Marketing Campaign

Other increases

1. Grants
Amount: £70,000
Section H
Reason: transfers from RfR3 and RfR6 in order to establish a grant in aid for the Centre for Policy on Ageing
2. Administration
Amount: £50,000,000
Section A
Reason: transfer from RfR2 due to an internal reallocation of resources

DecreasesTransfers to other Government Departments

1. Administration
Amount: £50,000
Section A
Reason: a transfer to the Office of the Deputy Prime Minister for a Local Government Association Best Practice Planning Event

Other decreases

1. Administration
Amount: £4,218,000
Section A
Reason: a transfer to RfR6 to cover a corporate HR shortfall
2. Administration
Amount: £905,000
Section A
Reason: a transfer to RfR6 in respect of Pension Credit postage costs
3. Administration
Amount: £255,000
Section A
Reason: a transfer to RfR2 in connection with Extended Working Lives
4. Administration
Amount: £45,000
Section A
Reason: a transfer to RfR3 non budget for the Centre for Policy on Ageing

5. Administration
Amount: £192,000
Section A
Reason: a transfer to RfR6 for debt work
6. Administration
Amount: £33,000
Section A
Reason: a transfer to RfR6 for the cost of three accountancy trainees

Neutral changes:Increased spending offset by income

1. Other current
Amount: £42,649,000
Section A
Reason: a revised calculation of the amount due from the National Insurance Fund leading to an increase in appropriations in aid and an equivalent increase in non-voted DEL
2. Administration
Amount: £1,024,000
Section A
Reason: a forecast increase in appropriations in aid leading to an equivalent increase in expenditure

RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society**Increases:**Other increases

1. Revised AME forecasts
Annually Managed Expenditure
Amount: £80,000,000
Section C
Reason: Revised forecast of expenditure on Attendance Allowance
2. Administration
Amount: £11,045,000
Section A
Reason: a transfer from RfR2 for Disability and Carer Services' share of the Medical Services Contract
3. Administration
Amount: £30,000,000
Section A
Reason: a transfer from RfR2 due to an internal reallocation of resources

DecreasesTransfers to other Government Departments

1. Administration
Amount: £13,000
Section A
Reason: a transfer of funding to the Ministry of Defence for the Veterans' Agency Helpline

Other decreases

1. Administration
Amount: £9,000
Section A
Reason: a transfer of funding to RfR6 in relation to a contract with Securicor
2. Administration
Amount: £2,616,000
Section A
Reason: a transfer to RfR6 in relation to the transfer of Debt Recovery Work from Disability and Carer Services to Debt Management

Neutral changesTransfers within the RfR

1. Grants
Amount: £118,000
Sections A and H
Reason: a transfer from Section A to Section H due to increased demand for Disability Rights Commission services

Increased spending offset by income

1. Administration
Amount: £740,000
Section A
Reason: an overall forecast decrease in appropriations in aid of £740,000 leading to an equivalent decrease in expenditure

RfR 6: Corporate contracts, support services and administration of the European Social Fund for England**Increases:**Transfers from Central Funds

1. Other current
Amount: £50,000,000
Section A
Reason: an increase in provision due to the setting up of an Efficiency Challenge Fund as provided for in the 2004 Spending Review

Transfers from non-voted spending

1. Administration
Amount: £12,143,000
Section A
Reason: an increase in provision in Section A due to a drawdown from the Departmental Unallocated Provision for resource expenditure associated with the Joint International Unit
2. Administration
Amount: £49,088,000
Section A
Reason: an increase in provision in Section A due to a drawdown from the Departmental Unallocated Provision

Transfers from other Government Departments

1. Grants
Amount: £20,800,000
Sections C and F
Reason: an increase in provision in Section C with a corresponding increase in appropriations in aid in Section F due to a transfer from the Department of Culture, Media and Sport
2. Grants
Amount: £22,000,000
Sections C and F
Reason: an increase in provision in Section C with a corresponding increase in appropriations in aid in Section F due to a transfer from the Department of Trade and Industry

Other increases

1. Administration
Amount: £319,000
Section A
Reason: a transfer from RfR2 for Debt Management Services non-cash costs
2. Administration
Amount: £546,000
Section A
Reason: a transfer from RfR2 in respect of staff moving from Job Centre Plus to Information and Analysis Directorate
3. Administration
Amount: £4,218,000
Section A
Reason: a transfer from RfR3 to cover a corporate HR shortfall
4. Administration
Amount: £8,560,000
Section A
Reason: a transfer from RfR2 to cover costs in connection with the ex-Employment Service estate which will now be borne corporately
5. Administration
Amount: £225,000
Section A
Reason: a transfer from RfR2 for part of the costs of the Worktrain programme
6. Administration
Amount: £9,000
Section A
Reason: a transfer of funding from RfR4 in relation to a contract with Securicor
7. Administration
Amount: £1,334,000
Section A
Reason: a transfer from RfR2 in respect of the movement of the Work Measurement Team to Internal Assurance Services
8. Administration
Amount: £905,000
Section A
Reason: a transfer from RfR3 in respect of Pension Credit postage costs

9. Administration
Amount: £13,000,000
Section A
Reason: a transfer from Job Centre Plus to RfR6 for Estates
10. Other current
Amount: £22,000
Section A
Reason: a transfer from RfR2 for a Joint International Unit secondment
11. Administration
Amount: £33,000
Section A
Reason: a transfer from RfR3 for the cost of three accountancy trainees
12. Administration
Amount: £192,000
Section A
Reason: a transfer from RfR3 for debt work
13. Administration
Amount: £94,000
Section A
Reason: a transfer of responsibility for work measurement from RfR2 (Fraud Strategy Unit) to RfR6 (Internal Assurance Services)
14. Administration
Amount: £2,616,000
Section A
Reason: an increase in provision due to a transfer to RfR6 in relation to the transfer of Debt Recovery Work from Disability and Carer Services to Debt Management
15. Administration
Amount: £100,000,000
Section A
Reason: an increase in provision due to an internal reallocation of resources

Decreases

Transfers to other Government Departments

1. Administration
Amount: £58,000
Section A
Reason: a reduction in provision due to a transfer to the Office of the Deputy Prime Minister in respect of Government Office work for the European Social Fund

Other decreases

1. Administration
Amount: £118,000
Section A
Reason: a reduction in provision due to a transfer to RfR2 in connection with Masters Degree training for Economists
2. Administration
Amount: £25,000
Section A
Reason: a transfer to RfR3 non budget for the Centre for Policy on Ageing

Neutral changesTransfers within the RfR

1. Grants

Amount: £84,065,000

Sections B, D and F

Reason: a transfer of receipts of £84,065,000 from Sections B and D to Section F in order to correctly reflect the budgeting treatment

Increased spending offset by income

2. Other current

Amount: £79,829,000

Section A

Reason: a revised calculation of the amount due from the National Insurance Fund leading to an increase in appropriations in aid and an equivalent increase in non-voted DEL

3. Administration

Amount: £308,000

Section A

Reason: a forecast increase in appropriations in aid leading to an equivalent increase in expenditure

4. Other current and grants

Amount: £4,045,000

Section A

Reason: an overall forecast increase in appropriations in aid of £4,045,000 leading to an equivalent increase in expenditure of £1,637,000 other current and £2,408,000 grants

2. As a result of these changes there is an increase in the net cash requirement of: £1,060,878,000

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

Part I

£

RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need	703,051,000
RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners	4,123,000
RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society	118,407,000
RfR 6: Corporate contracts, support services and administration of the European Social Fund for England	163,274,000
Total additional net resource requirement	988,855,000
Additional net cash requirement †	1,060,878,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Department for Work and Pensions on:

RfR 1: Ensuring the best start for all children and ending child poverty in 20 years

The administration costs of the child support system; and associated non cash items.

RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need

The administration costs and benefit payments of Severe Disablement Allowance; pensions gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; Income Support for the under 60's; Jobseeker's Allowance (contribution-based); Jobseeker's Allowance (income based); earnings top up pilot; job grant; back to work bonus; compensation payments to the National Insurance Fund in respect of Statutory Sick Pay and Statutory Maternity Pay; Family Credit; the provision of training and assessment programmes for adults; the promotion of enterprise and the encouragement of self employment; help for unemployed people and disability rights. Measures to help people, particularly those on welfare and at a disadvantage in the labour market, into work; the administration of, and where appropriate the payment of allowances to people participating in, the Welfare to Work programme, the Job Transition Service and other employment programmes, pilot programmes and new measures to help people into work; temporary subsidies to employers; grants to voluntary bodies and local authorities towards the provision of supported employment; awards for achievements in overcoming barriers to unemployment; a Grant in Aid and the provision of a temporary loan facility to Remploy Ltd; assistance and advice on employment service and labour market issues to international organisations; research; publicity and associated non-cash items. Subsidies to housing, billing, levying and local authorities towards the costs incurred in administering the Housing Benefit and/or Council Tax Benefit schemes; rent rebate, rent allowance; Council Tax Benefit; payments to local authorities in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for incentive payments in respect of Housing Benefit under occupation schemes; sums payable to third party providers of services to local authorities; compensation for sufferers, or their dependants, of certain dust related diseases; the Rent Service Agency; the Health and Safety Commission (HSC); grants paid by HSC to small businesses; the administration costs of the Children's Client Group and associated non-cash items.

RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners

The administration costs and benefit payments of non contributory retirement pensions; Christmas Bonus payments to pensioners; One-off 70+ payment to Pensioners; Income Support for the elderly; Pension Credit; payments made to the BBC in respect of the over 75's free TV licence scheme; expenditure to assist people make plans for their retirement; Private Pensions Industry regulatory work; Grant in aid for the administration costs of Better Government for Older People; payments in respect of the Pension Protection Fund; expenditure in respect of the Pensions Regulator; Grant in Aid to the Centre for Policy on Ageing; sums payable to fund payments and loans made by the Social Fund; Grant in Aid to OPRA and associated non-cash items.

RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society

The administration costs and benefit payments of Attendance Allowance; Disability Living Allowance; Disability Working Allowance; Carer's Allowance; Vaccine Damage; Grants in Aid to the Disability Rights Commission, Motability, Independent Living Fund and associated non-cash items.

RfR 5: Modernise welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers

Costs of modernising Departmental systems and services and associated non cash items.

RfR 6: Corporate contracts, support services and administration of the European Social Fund for England

Corporate administration; the costs associated with the Appeals Service; payments for education, training and employment projects assisted by the European Union and refunds to the European Union, the UK subscription to the International Labour Organisation, other international educational programmes and associated non cash items.

The **Department for Work and Pensions** will account for this Estimate.

† The net cash requirement includes expenditure of £13,000,000 on the Pension Protection Fund and the Pensions Regulator which is subject to the passage of legislation that has been laid before Parliament. Once this legislation has received Royal Assent amounts of £580,000 in respect of the Pension Protection fund and £347,000 in respect of the Pensions Regulator will be used to repay advances from the Contingencies Fund

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need					
Spending in Departmental Expenditure Limits (DEL)					
RfR2 - A Administration	1,769,498	204,588	12,341	192,247	1,961,745
RfR2 - B Employment Programmes	1,594,273	-359,456	-5,797	-353,659	1,240,614
RfR2 - C Health and Safety Executive	221,234	7,856	1,135	6,721	227,955
RfR2 - D Health and Safety Laboratory	-	-801	-801	-	-
RfR2 - F The Rent Service Executive agency	39,017	542	-	542	39,559
RfR2 - H Challenge fund & similar admin measures - LA	61,500	-3,250	-3,250	-	61,500
RfR2 - I Housing and council tax benefit admin grants	376,881	57,200	-	57,200	434,081
Spending in Annually Managed Expenditure (AME)					
RfR2 - N Income support (under 60 years of age)	9,142,219	800,000	-	800,000	9,942,219
Total RfR2		706,679	3,628	703,051	
RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners					
Spending in Departmental Expenditure Limits (DEL)					
RfR3 - A Administration	345,056	47,726	43,673	4,053	349,109
Non-budget					
RfR3 - H Centre for Policy on Ageing (Grant in Aid)	-	70	-	70	70
Total RfR3		47,796	43,673	4,123	
RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society					
Spending in Departmental Expenditure Limits (DEL)					
RfR4 - A Administration	142,081	37,549	-740	38,289	180,370
Spending in Annually Managed Expenditure (AME)					
RfR4 - C Attendance allowance	3,618,849	80,000	-	80,000	3,698,849
Non-budget					
RfR4 - H Disability Rights Commission (Grant in Aid)	15,304	118	-	118	15,422
Total RfR4		117,667	-740	118,407	

Part II: Changes proposed (*continued*)

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 6: Corporate contracts, support services and administration of the European Social Fund for England					
Spending in Departmental Expenditure Limits (DEL)					
RfR6 - A Administration	1,030,945	247,456	84,182	163,274	1,194,219
RfR6 - B European Social Fund	-	-	-75,415	75,415	75,415
RfR6 - C European Social Fund payments in advance of receipts	312,193	42,800	-	42,800	354,993
RfR6 - D European Social Fund	-	-	-8,650	8,650	8,650
Non-budget					
RfR6 - F European Social Fund	-376,054	-	126,865	-126,865	-502,919
Total RfR6		290,256	126,982	163,274	
Total Changes to RfRs		1,162,398	173,543	988,855	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	221,791	54,209	276,000
Non-Operating AinA	11,052	3,746	14,798
Net cash requirement	58,484,615	1,060,878	59,545,493

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: Ensuring the best start for all children and ending child poverty in 20 years	252,362	-	-	252,362	127	252,235	1,602	65	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	252,362	-	-	252,362	127	252,235	1,602	65	
RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need	2,637,602	837,982	32,150,498	35,626,082	981,927	34,644,155	186,334	11,882	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	2,072,501	74,574	2,164	2,149,239	187,494	1,961,745	104,775	1,716	
B Employment Programmes	276,734	694,878	270,252	1,241,864	1,250	1,240,614	-	-	
C Health and Safety Executive	221,909	61,524	-	283,433	55,478	227,955	6,719	495	
D Health and Safety Laboratory	26,900	4,456	-	31,356	31,356	-	68,127	4,670	
E Capital Grants	-	2,549	5,927	8,476	-	8,476	5,000	5,001	
F The Rent Service Executive agency	39,558	1	-	39,559	-	39,559	1,713	-	
<i>Support for Local Authorities</i>									
G Employment Programmes	-	-	37,047	37,047	-	37,047	-	-	
H Challenge fund & similar admin measures - L A	-	-	61,500	61,500	-	61,500	-	-	
I Housing and council tax benefit admin grants	-	-	434,081	434,081	-	434,081	-	-	
J Third Party providers	-	-	1,375	1,375	-	1,375	-	-	
K Capital grants to Local Authorities	-	-	2,895	2,895	-	2,895	-	-	
<i>Funding for One Pilot Scheme</i>	-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
L Severe Disablement Allowance	-	-	890,959	890,959	-	890,959	-	-	
M Industrial injury benefits	-	-	764,215	764,215	-	764,215	-	-	
N Income support (under 60 years of age)	-	-	10,113,938	10,113,938	171,719	9,942,219	-	-	

Part II: Revised subhead detail including additional provision (cont.)

	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	
O Jobseekers allowance (income based)	-	-	1,829,386	1,829,386	-	1,829,386	-	-	
P Jobseekers allowance (contribution based)	-	-	534,590	534,590	534,590	-	-	-	
Q Job Grant	-	-	16,000	16,000	-	16,000	-	-	
R Employment Allowances	-	-	86,046	86,046	-	86,046	-	-	
S Housing and Council tax benefit capital charge	-	-	3,345	3,345	-	3,345	-	-	
T Non-continuing benefits debt activity	-	-	35	35	-	35	-	-	
<i>Support for Local Authorities</i>									
U Housing benefit and council tax benefit subsidies	-	-	11,215,904	11,215,904	40	11,215,864	-	-	
V Rent rebates	-	-	4,649,839	4,649,839	-	4,649,839	-	-	
W Discretionary housing payments	-	-	20,000	20,000	-	20,000	-	-	
<i>HB under-occupation pilot</i>	-	-	-	-	-	-	-	-	
Non-budget									
X Statutory benefits (SSP and SMP)	-	-	1,211,000	1,211,000	-	1,211,000	-	-	
RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners									
	530,491	8,000	9,191,681	9,730,172	189,382	9,540,790	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	530,491	8,000	-	538,491	189,382	349,109	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B Pension benefits	-	-	484,495	484,495	-	484,495	-	-	
C Income Support for the Elderly and Pension Credit	-	-	5,980,441	5,980,441	-	5,980,441	-	-	
D TV licences for the over 75s	-	-	421,530	421,530	-	421,530	-	-	
Non-budget									
E Payments to the Social Fund	-	-	2,286,786	2,286,786	-	2,286,786	-	-	
F OPRA (Grant in Aid)	-	-	17,795	17,795	-	17,795	-	-	

Part II: Revised subhead detail including additional provision (cont.)

	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	
G Better Government for Older People (Grant in Aid)	-	-	564	564	-	564	-	-	
H Centre for Policy on Ageing (Grant in Aid)	-	-	70	70	-	70	-	-	
RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society	180,937	-	13,218,276	13,399,213	3,666	13,395,547	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	180,937	-	-	180,937	567	180,370	-	-	
B Motability administration	-	-	2,527	2,527	148	2,379	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
C Attendance allowance	-	-	3,698,849	3,698,849	-	3,698,849	-	-	
D Disability living allowance	-	-	8,153,242	8,153,242	-	8,153,242	-	-	
E Carers Allowance	-	-	1,125,797	1,125,797	-	1,125,797	-	-	
F Vaccine Damage payments	-	-	500	500	-	500	-	-	
G Grants to independent bodies	-	-	221,939	221,939	2,951	218,988	-	-	
Non-budget									
H Disability Rights Commission (Grant in Aid)	-	-	15,422	15,422	-	15,422	-	-	
RfR 5: Modernise welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers	483,885	-	-	483,885	69,398	414,487	84,200	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	483,885	-	-	483,885	69,398	414,487	84,200	-	
RfR 6: Corporate contracts, support services and administration of the European Social Fund for England	1,728,602	120,583	536,052	2,385,237	1,191,014	1,194,223	3,864	2,851	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	1,728,602	120,583	33,129	1,882,314	688,095	1,194,219	3,864	2,851	
B European Social Fund	-	-	75,415	75,415	-	75,415	-	-	

Part II: Revised subhead detail including additional provision (cont.)

	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	
C European Social Fund payments in advance of receipts	-	-	354,993	354,993	-	354,993	-	-	
<i>Support for Local Authorities</i>									
D European Social Fund	-	-	8,650	8,650	-	8,650	-	-	
E European Social Fund payments in advance of receipts	-	-	63,865	63,865	-	63,865	-	-	
Non-budget									
F European Social Fund	-	-	-	-	502,919	-502,919	-	-	
Total	5,813,879	966,565	55,096,507	61,876,951	2,435,514	59,441,437	276,000	14,798	

Part II: Resource to cash reconciliation

£'000

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
Net total Resources	58,452,582	988,855	59,441,437
Voted capital items			
Capital expenditure	221,791	54,209	276,000
<i>Less:</i> non-operating AInA	<u>11,052</u>	<u>3,746</u>	<u>14,798</u>
Total net voted capital	210,739	50,463	261,202
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-18,800	5,184	-13,616
Depreciation	-120,606	3,376	-117,230
New provisions and adjustments to previous provisions	-28,596	-	-28,596
Profit/loss on sale of assets	2,548	-	2,548
Prior period adjustments	-	-	-
Other non-cash items	-22,415	-	-22,415
Increase(+)/decrease (-) in stock	-200	-	-200
Increase(+)/decrease (-) in debtors	9,859	13,000	22,859
Increase(-)/decrease (+) in creditors	-31,117	-	-31,117
Use of provisions	<u>30,621</u>	-	<u>30,621</u>
Total accruals to cash adjustments	-178,706	21,560	-157,146
Excess cash to be CFERd	-	-	-
Net cash requirement	58,484,615	1,060,878	59,545,493

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	252,235	
RfR2	2,553,376	
RfR3	528,042	
RfR4	180,370	
RfR5	482,263	
RfR6	1,737,644	
Total Net Administration Costs		5,733,930
Net Programme Costs		
RfR1	-	
RfR2	32,262,596	
RfR3	9,133,499	
RfR4	13,215,177	
RfR5	-	
RfR6	67,677	
Non voted expenditure	57,211,694	
Total Net Programme costs		111,890,643
Total Net Operating Cost		117,624,573
<i>of which:</i>		
Net Resource Outturn		59,441,437
CFERs		-3,000
Non-voted expenditure		60,472,922
Resource Budget Outturn		118,496,257

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	59,441,437
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	60,472,922
Consolidated Fund extra receipts (CFERS) in the OCS	-3,000
Other adjustments	-2,286,786
Net Operating Costs (Accounts)	117,624,573
<i>Adjustments to remove:</i>	
capital grants to local authorities	-3,095
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	529,831
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-22
resource consumption of non departmental public bodies	3,833
unallocated resource provision	317,279
Other adjustments	23,858
Resource Budget Outturn (Budget)	118,496,257
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	8,324,338
Annually Managed Expenditure (AME)	110,171,919

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	261,202
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	2,548
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	2,895
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	1,202
capital spending by levy funded bodies	-
unallocated capital provision	22,800
Other adjustments	94,819
Capital Budget Outturn (Budget)	385,466
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	290,647
Annually Managed Expenditure (AME)	94,819

Notes to the Estimate

Explanation of Accounting Officer responsibilities

HM Treasury has appointed the Permanent Head of the Department for Work and Pensions, Sir Richard Mottram, as Principal Accounting Officer for the Department with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of public finances for which as an Accounting Officer he is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officer's Memorandum, issued by HM Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Ensuring the best start for all children and ending child poverty in 20 years		
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	-	-
Receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care	115	-
Receipts from applicants for services provided by Child Support Agency	7	-
Receipts from staff for private telephone calls	5	-
Receipts from sale of non capital items	-	65
Family credit	-	-
Total RfR1	127 *	65 **

*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for private telephone calls; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the sales of non capital items; receipts from applicants for services provided by Child Support Agency and receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care.

**Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need

Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	174,817	-
Receipts for services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	2,233	-
Receipts from other Departments/Organisations in respect of outward secondments	5,789	-
Receipts from match funded projects	-	-
Receipts from EU twinning funded projects	-	-
Recovery of excess programmes	-	-
Recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales	275	-
Contribution from Scotland and Wales towards Employment Zones	975	-
Receipts from Local Authorities and partner organisations for services provided to them by Departmental Action Teams	800	-
Receipts for expenses from the EU	170	-
Repayment of temporary loans to Remploy	-	5,001
Challenge funding and similar measures	-	-
Industrial injury benefits	-	-
Receipts from the sale of non-capital items	-	-
Receipts from staff for private telephone calls	67	-
Receipts from mortgage lenders	1,539	-
Disability Benefits	-	-
Income support (under 60 years of age)	171,719	-
Jobseeker's allowance (income based)	-	-
Jobseeker's allowance (contribution based)	534,590	-
Receipts from Working Links dividend	1,800	-
Receipts from Working Links management fee	118	-
Housing benefit and council tax benefit subsidies	40	-
Statutory benefits (SSP and SMP)	-	-
Profit on asset disposals	-	1,716
Health and Safety Executive	55,478	495
Health and Safety Laboratory	31,356	4,670

Analysis of appropriations in aid (A in A) (continued)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
Recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe	-	-
Receipts from outside bodies in respect of partnership working in New Deal for Community areas	-	-
Receipts from sponsors of supported placements in the JSA	-	-
Recovery from Home Office of the costs of administering the Refugee Resettlement programme	161	-
Total RfR2	981,927 *	11,882 **

*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls; receipts from mortgage lenders; receipts from other departments/organisations in respect of outward secondments; receipts from the sale of non capital items; receipts from EU twinning funded projects; receipts from match funded projects; the recovery of the cost of administering allowance payments for work based learning for adults in Scotland and Wales; contribution from Scotland and Wales towards Employment Zones; receipts from Local Authorities for services provided to them by Departmental Action Teams, including Neighbourhood Renewal Funds, rent and similar receipts; receipts from outside bodies in respect of partnership working in New Deal for Community areas; recovery from Home Office of the costs of administering the Refugee Resettlement programme; recovery from the EC of the costs of work on European employment Services (EURES) and work undertaken on labour market issues in eastern Europe; receipts from the EU for travel expenses, and subsistence allowances incurred by staff on European Union business; receipts from sponsors of supported placements in the ES; receipts in respect of vending machines; receipts from Working Links, Working Links management fee and dividend; receipts from selling services under the Wider Markets Initiative; receipts from partner organisations in respect of action teams; the recovery of excess payments made on Jobcentre Plus employment measures; recoveries from authorities not achieving baseline targets set in respect of anti fraud measures; recoveries from authorities not achieving targets set in respect of extended payments; receipts from damages payable to recipients of Statutory Sick Pay; receipts via Compensation Recovery Unit in respect of benefits paid in lieu; payments on return to work after a trade dispute made to people who would normally be excluded from Income Support because they are in full time work; payments by liable relatives; amounts collected through a court order or on a voluntary basis from relatives of income support claimants; receipts from the Child Support Agency of payments of maintenance from absent parents for parents with care who are in receipt of Income Support; repayment of Jobseeker's Allowance (contribution based) from the National Insurance Fund; receipts in respect of the Health and Safety Commission including fees and charges levied by the Health and Safety Commission (HSC), receipts for research, administrative services, testing, fee paying enquiries, dissemination of information, royalties, the loan and hire of equipment, seminars, patent rights, conferences and publications (in print and non-print media) provided by the HSC; payments from other government departments, agencies, non-departmental public bodies and overseas governments to the HSC; sales of land and buildings, water, stores, plant, equipment, machinery and vehicles of the HSC; recoveries of seconded staff salaries of the HSC; receipts for the use of HSC accommodation, rental income, receipts from HSC property and land, sponsorship, including contributions from co-sponsors towards the costs of research and surveys carried out by HSC; recoveries by the HSC from the European

Union in respect of travelling expenses and subsistence allowances incurred by HSC staff on European Union business; contributions and recoveries from the European Union of costs of HSC research and projects, legal claims of the HSC, including awards of court costs and out of court settlements; refunds of advance of salaries of HSC staff, and repayment of loans made by the HSC.

**Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners

Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	186,933	-
Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,613	-
Income Support 60 plus/Pension credit	-	-
Receipts from mortgage lenders	826	-
Receipts from staff for private phone calls	10	-
Total RfR3	189,382 *	-

*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits, services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from mortgage lenders; receipts from staff for private telephone calls and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

Analysis of appropriations in aid (A in A) (continued)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society		
Receipts from the European Union for the European Year of disabled people 2003	-	-
Attendance allowance	-	-
Disability living allowance	-	-
Motability administration	148	-
Motability Grant	2,951	-
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	565	-
Receipts from staff for private telephone calls	2	-
Total RfR4	3,666 *	-
*Amount that may be applied as appropriations in aid in addition to the net total arising from services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the European Union for the European year for disabled people 2003; receipts from staff for private telephone calls; receipts via Compensation Recovery Unit in respect of benefits paid in lieu, recoveries of payments from the Department of Social Development (Northern Ireland) towards Motability's car adaption and administration costs and receipts from Tenth Anniversary Trust towards Motability's car adaption costs.		
RfR 5: Modernise welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers		
Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	67,776	-
Receipts from staff for private telephone calls		
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,622	-
Total RfR5	69,398 *	-
*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits; receipts from staff for private telephone calls and services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public.		
RfR 6: Corporate contracts, support services and administration of the European Social Fund for England		
Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	611,098	-
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	21,160	-
Receipts in respect of the European fast stream	-	-
Receipts from mortgage lenders	177	-
Receipts from staff towards the cost of private use of official vehicles	1,272	-
Receipts from sub-let accommodation	16,626	-
Receipts from staff for private telephone calls	10	-
Recovery of law costs from defendants	1,620	-
Receipts from other departments/organisations in respect of outward secondments	2,277	-
Receipts from EU twinning funded projects	848	-
Payments from Department for Education and Skills for International Programmes	32,914	-
Receipts in respect of the European Social Fund	502,919	-
Payments from Department for Education and Skills	-	-
Receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings	-	2,630
Joint International Unit administration receipts	-	-
Profit on asset disposal	-	221

Analysis of appropriations in aid (A in A) (continued)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
Receipts from third parties for uninsured losses	-	-
Early Departures pre-funding interest	-	-
Expenses from the European Union	93	-
Total RfR6	1,191,014 *	2,851 **
<p>*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from third parties for uninsured losses; receipts from staff for private telephone calls; recovery of law costs from defendants; receipts from sub-let accommodation; receipts from the sale of non capital items; receipts from the Department for Education and Skills in respect of Modern Apprenticeships; receipts from other departments/organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles; receipts in respect of the European Fast Stream receipts from the EC to meet payments to Local Authorities and non exchequer bodies for education and training and employment projects training assisted by the European Social Fund; receipts from EU Twinning funded projects; Joint International Unit administration receipts; receipts from IT services to other government departments, payments from Department for Education and Skills for International Programmes; Early Departures pre-funding interest.</p>		
<p>**Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.</p>		
Total A in A	2,435,514	14,798

Analysis of Consolidated Fund extra receipts

	£'000	
	2004-05 provision	
	Income	<i>Receipts</i>
Levy on Pensions Industry collected by Occupational Pensions Regulatory Authority •	10,510	<i>10,510</i>
Headquarters Accommodation Services •	-	-
Challenge Funding Recoveries	-	-
Miscellaneous receipts	3,000	<i>3,000</i>
Recoveries in respect of previous Independent Living Fund scheme	2	<i>2</i>
Recoveries in respect of previous Rent Allowance scheme	20	<i>20</i>
European Social Fund	-	-
Programme Expenditure	-	-
Health and Safety Executive •	-	-
Corporate •	-	-
Total	13,532	<i>13,532</i>

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Department for Work and Pensions Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	220,368	6,934,766	1,389,572	8,324,338
Capital	50,463	266,645	24,002	290,647
Depreciation*	3,376	-117,230	-714	-117,944
Total	274,207	7,084,181	1,412,860	8,497,041

*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.

The Administration Cost Limit has been increased by £92,659,000 from £5,903,307,000 to £5,995,966,000.

Cash which may be retained to offset expenditure

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

£'000
2,450,312

Expenditure resting on the sole authority of the Appropriation Act

		£'000
RfR2: Awards for achievements in overcoming barriers to unemployment	■	300
RfR3: Payments in respect of Better Government for Older People	■	564
RfR3: Payment to the Centre for Policy on Ageing	■	70

Grants in Aid

RfR 3 and RfR 4 include grant in aid provision for the Occupational Pensions Regulatory Authority ♥ £17,795,000, Independent Living Fund ♥ £210,864,000, Motability ♥ £11,075,000, Disability Rights Commission ♥ £15,422,000, Better Government for Older People £564,000 and Centre for Policy on Ageing £70,000.

Contingent liabilities

As at 31 March 2004, the following liabilities fell to be met from the Department's Estimate: £'000

Statutory

Non - Statutory

From April 1995 some Child Support Agency debt has been deferred and will not be recoverable from clients provided certain conditions are met. This could result in the Child Support Agency taking over such debt from non-resident parents. In 2003-04, £1.21 million (2002-03, £1.81 million) was paid by the Agency to parents with care under this arrangement. The maximum potential liability at 31 March 2004 is £33.7 million (31 March 2003, £36.9 million), subject to all cases meeting the criteria. As it is not practicable to estimate the amount that may be paid out, no provision has been made in the accounts 33,700

Due to a structural problem, the Department has a future liability to fund the reconstruction of one of its buildings. All legal implications relating to this liability have been resolved, and it has been determined that this will be funded through Departmental resources. Not known

In a judicial review brought by a parent with care under the Human Rights Act 1998, it was judged that the parent with care's human rights had not been breached, but that she can apply for damages under the Human Rights Act, where the Secretary of State has failed, unreasonably, to enforce the collection of maintenance due. The Agency lodged a successful appeal against this decision. The parent with care has subsequently lodged an appeal to the House of Lords. As the outcome of this case cannot be predicated any consequential obligation cannot be measured with sufficient reliability to enable a value to be recognised in the accounts. Unquantifiable

During the course of its normal business, Jobcentre Plus frequently enters into large, sometimes long-term, contracts with a wide range of private sector suppliers. The changing nature of Jobcentre Plus business, and its obligation to respond to prevailing government priorities, can mean that it is occasionally in the Agency's interests to try to vary, re-negotiate or, in exceptional cases, cancel certain contracts. Where Jobcentre Plus takes such action, it always does so on legal advice and so as to avoid breach of contract. However, disputes occasionally arise which could result in Jobcentre Plus making compensatory payments in response to legal proceedings, or as part of an out of court settlement. Jobcentre Plus considers that disclosure of such cases in detail, particularly whilst negotiations are still in progress, could seriously prejudice the Agency's position if legal proceedings subsequently develop. Unquantifiable

There were no such contractual disputes outstanding at 31 March 2004 where a settlement had been reached and the value of a compensatory payment had been agreed. For cases still under negotiation, the total value of outstanding claims made against Jobcentre Plus by suppliers at the balance sheet date was less than £10 million, but it is not yet known whether Jobcentre Plus will need to make any compensatory payments.

Better Government for Older People (BGOP) is an initiative which is funded by several consortium partners with DWP providing the largest proportion of funds by way of Grant-in-Aid. Since BGOP has no legal identity, the usual 'Financial Memorandum' is replaced by a 'Consortium Agreement' that has Treasury approval. But in addition to the funding which DWP provides, we have also agreed to indemnify Help the Aged, the host organisation, against any losses arising from BGOP activity to the sum of £5million (in any one year and in totality). 5,000

The then former Department for Education and Employment Ministers gave their agreement that the former Training and Enterprise Councils could be offered indemnities in respect of certain liabilities that arose or continued after the contractual relationship with Government ended on 25 March 2001. The purpose of these indemnities was to give the former Training and Enterprise Council Directors, or a liquidator, sufficient assurances to conclude that relationship and either return residual reserves owing to the Secretary of State, or distribute these with the Secretary of State's agreement at the earliest opportunity. Responsibility for these contingent liabilities transferred to Jobcentre Plus on 1 April 2002 from the Employment Service. Consequently, Jobcentre Plus has agreed to offer indemnities of up to £12million in respect of existing contracts with the former Training and Enterprise Councils that were novated as a result of the former Training and Enterprise Council's wind up, or in respect of repayments claimed following audit of past contract activity.

12,000

Jobcentre Plus is currently in discussions with PCS following the ruling of the Employment Appeal Tribunal in the lead dress standard case where it is hoped that a settlement can be reached and the 7,000 plus compensation claims entered by individuals will be withdrawn. If the settlement fails there could be a cost to Jobcentre Plus if the lead Employment Tribunal case is contested and lost. Due to uncertainty regarding the outcome of the discussions and size of any financial remedy it is not possible to provide a reliable estimate of the financial effect.

Unquantifiable

Jobcentre Plus is currently involved with 32 applications to Employment Tribunal from individuals who were previously employed on temporary contracts, which were subject to early termination. There is a potential liability of £320,000, based on a maximum figure of compensation to be paid for any proven breach of Employment Law. However, should discrimination be cited then compensation payments, if the case were proven, do not have an upper limit.

Unquantifiable

HSE is currently defending two equal pay cases. HSE successfully appealed against an equal pay Employment Tribunal decision in June 2003. That appeal is now subject to a cross appeal, which will be heard at the Court of Appeal in July 2004. Arguments in the case may be referred to Europe and the litigation process could continue for a further two years or more. HSE won another equal pay case in December 2003 as a result of the appeal decision but that case is also subject to a cross appeal but this has been stayed pending the outcome of the first case. If we were to lose these cases, the financial consequences would depend on the nature of the judgement in relation to the employees who brought the cases, and the degree to which the judgements would apply to other members of staff, including the extent to which any awards made are backdated.

Unquantifiable

Important changes to the Vaccine Damage Payments Scheme have been introduced. The level of disablement that is defined as severe has been reduced from 80% to 60% and the period of time during which a claim can be made has been extended. These changes mean that some people who have been disallowed in the past may be able to make another claim under these new rules. These further claims must be received before 16 June 2005. It is not currently possible to estimate the value of these claims and so no provision has been made.

Unquantifiable

In October 2001, a claim from Thames Trains Ltd following the Ladbroke Grove railway disaster was filed against HSE and Her Majesty's Railway Inspectorate for an amount in excess of £5 million. The basis of the claim is that HSE was negligent in connection with the railway infrastructure at the location of the crash. This claim will be rigorously defended and whilst the outcome of these matters cannot readily be determined or foreseen, it is considered that it is likely that the claim will be defended successfully.

Unquantifiable

<p>The Department has a potential liability in respect of ineligible claims for ESF programmes that operated during 1994-99. The Department estimates that it is highly likely that we will be unable to claim from the European Commission £15.140 million already paid to contractors and a provision for this has been created in the accounts. The Department is negotiating a final settlement with the European Commission and there is the potential that a further liability could arise, however this figure cannot be estimated with any certainty at this point in time.</p>	Unquantifiable
<p>A customer has been given leave to appeal to the House of Lords (due to be heard in 2005) regarding the Retirement Pension rate being frozen for overseas customers living outside the European Economic Area. Should the hearing rule in the customer's favour, the total number of customers that may be affected by the decision is approximately 500,000, but at this stage we cannot be certain of the cost of any compensation payments.</p>	Unquantifiable
<p>A customer is currently pursuing an appeal challenging the disallowance of a claim for a Winter Fuel Payment under European Economic Area law, and should they be successful customers will not have to acquire entitlement before they move overseas in order to qualify for Winter Fuel Payment. Also a customer has contended that it is unlawful not to allow retrospective Winter Fuel Payment claims to European Economic Area customers. The value of any compensation payments in relation to these cannot be measured until outcome of findings and extent of any additional action deemed necessary are determined.</p>	Unquantifiable
<p>Following the suspension of Deficiency Notices from 1996-97 there is a significant number of people who are unaware of a possible shortfall in the level of their state pension. This was highlighted in 2003-04 and the Reinstatement of Deficiency Notices project was created to address this issue. The project intends to notify those pensioners who reached State Pension age since 6 April 1997 who may be able to improve their basic State Pension, or qualify for a basic State Pension, by paying voluntary class 3 National Insurance contributions. The costs attributable to restoring customers to the position they would have been in but for maladministration cannot be measured with sufficient reliability to enable a value to be placed upon it until the pilot has been evaluated.</p>	Unquantifiable
<p>An estimate for the staff related costs of the HSL relocation to Buxton in the Autumn has been made based on the information available at the time of preparation. However, qualifying staff have a period of 6 months from the date of their transfer to decide on relocation, and a higher number of individuals may ultimately take up this option, although at this stage this is considered to be sufficiently unlikely and difficult to quantify. In addition, the likely costs of the physical move of assets to Buxton is, at the present time, difficult to estimate with any reasonable degree of certainty, given the unusual type of assets involved and the specialist nature of some of the work required.</p>	Unquantifiable
<p>The London Borough of Lambeth, between April 1991 and March 1997, had problems in administering the payments of Housing Benefit and Council Tax Benefit and as a consequence subsidies of £31.5 million were overpaid. Following negotiations, agreement was reached for the overpaid subsidy to be repaid over a 10 year period commencing April 1996. Following the introduction of new policy regarding the recovery of overpaid subsidy, Lambeth requested that the recovery of the outstanding £6.7 million overpaid subsidy cease forthwith and that the Secretary of State repays £20 million of monies already recovered. Although the Secretary of State is to refuse the request there is a strong possibility that Lambeth will seek to overturn the decision by judicial review. A successful challenge by Lambeth would enable other local authorities to similarly request that their recovery decisions be reviewed. It is not possible to quantify the amount of additional subsidy, which potentially could be paid out.</p>	Unquantifiable

Northern Ireland Office

Introduction

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

RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending

The main purpose of the Supplementary Estimate is to drawdown Departmental Unallocated Provision of £9,695,000 administration, £16,166,000 other current and £576,000 capital, to give effect to the take-up of DEL end-year flexibility of £3,996,000 administration and £25,808,000 capital, and to action a £15,000 administration PES transfer to Security and Intelligence Agencies, to contribute towards administrative funding. The net effect of the changes is as follows:

Increases:

Take up of End-year Flexibility

- 1 an increase of £13,866,000 capital (RfR1: Subhead A7) as a result of the upgrade of the Department's IT network.
- 2 an increase in capital of £1,219,000 (RfR1: Subhead G7) covering the building of a new Juvenile Justice Centre.
- 3 An increase in Patten capital via the cash grant of £10,500,000 (RfR 1: Subhead N3) covering a range of capital projects.
- 4 An increase of £3,996,000 administration (RfR 1: Subhead K1) and of £223,000 capital, relating to increased costs for the NI Prison Service in implementing the recommendations of the 'Steele report'.

Transfers from non-voted spending

Departmental Unallocated Provision (DUP)

- 1 an increase of £1,602,000 administration (RfR1: Subhead A1), £2,750,000 other current (RfR1: Subhead A2) and £81,000 A in A (RfR1: Subhead A5), for Central Services costs.
- 2 an increase of £5,000 administration (RfR1: Subhead B1) for increased running costs for the NIO Ministers office.
- 3 an increase of £222,000 administration (RfR1: Subhead C1), £246,000 other current (RfR1: Subhead C2), for increased running costs in the Political Directorate including the Electoral Office.
- 4 an increase of £3,000,000 administration (RfR1: Subhead D1) and £7,331,000 other current (RfR1: Subhead D2) for the Bloody Sunday Inquiry.
- 5 an increase of £651,000 other current (RfR1: Subhead E2) and £463,000 capital (RfR1: Subhead E7) for the set up costs of the new Public Prosecution Service.
- 6 an increase of £1,850,000 administration (RfR1: Subhead F1) and £1,900,000 A in A (RfR1: Subhead F5) for Forensic Science NI for increased running costs which are then offset by an increase in receipts.

- 7 an increase of £628,000 other current (RfR1: Subhead G2) and an increase of £1,924,000 current grant (RfR1: Subhead G3) covering criminal justice expenditure including crime prevention and probation services.
- 8 an increase in A in A of £1,000 (RfR1: Subhead H5) and an increase in capital of £20,000 (RfR1: Subhead H7) for the Compensation Agency.
- 9 an increase of £31,000 other current and £818,000 grants (RfR1: Subhead I2 & I3), an increase of £50,000 A in A (RfR1: Subhead I5) and an increase in capital of £3,000 (RfR1: Subhead I7) for the Policing and Security Directorate.
- 10 an increase in resources of £3,817,000 other current (RfR1: Subhead J2) for NIO led Patten Non-Severance projects relating to the Police Service NI.
- 11 an increase in resources of £6,224,000 administration (RfR 1: Subhead K1), £425,000 other current (RfR1: Subhead K2), £230,000 grants (RfR1: Subhead K3) and £314,000 capital (RfR1: Subhead K7), all relating to increased costs for the NI Prison Service in implementing the recommendations of the 'Steele Report'.
- 12 an increase of £5,147,000 grant payments to the Police Service N.I.

Decreases

Transfers within estimate lines

Decreases within estimate lines which when offset against DUP increases totals the departments net DUP.

- 1 a decrease in capital of £49,000 (RfR1: Subhead C7) within the Political Directorate.
- 2 a decrease of £481,000 administration (RfR1: Subhead E1), caused by delays in recruiting staff for the new Public Prosecution Service.
- 3 a decrease of £50,000 in non-operating A in A (RfR1: Subhead F8)
- 4 a decrease of £504,000 administration (RfR1: Subhead G1), for Criminal Justice.
- 5 a decrease of £20,000 grants (RfR1: Subhead H3), for the Compensation Agency.
- 6 a decrease of £59,000 administration (RfR1: Subhead I1), in running costs for Policing and Security.
- 7 a decrease of £131,000 administration (RFR1: Subhead J1) and a decrease in capital of £1,000,000 (RfR1: Subhead J7) for NIO led Patten Non-Severance projects.
- 8 a decrease of £7,038,000 other current (RfR1: Subhead L2) to reflect reduced non-cash requirements for the Youth Justice Agency.

Transfers to other government departments

1. a decrease of £15,000 administration (RfR1: Subhead A1) as a result of a PES transfer to Security and Intelligence Agencies, to contribute towards administrative funding.
2. As a result of these changes there is an increase in the net cash requirement of: £56,236,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending	41,117,000
Total additional net resource requirement	41,117,000
Additional net cash requirement	56,236,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Northern Ireland Office on:

RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending

expenditure on central administration services; VIP visits to Northern Ireland; the Bloody Sunday Inquiry; Reviews and Commissions arising from the Good Friday Agreement; expenditure on political development; expenditure on Victims of the Troubles; expenditure arising from the Northern Ireland Act 1998 and Northern Ireland Act 2000; expenditure arising from elections; forensic services; services related to crime; criminal justice including juvenile justice services; probation and after-care; state pathology; Crown prosecutions and other legal services; compensation schemes; Criminal Injuries Compensation Appeals Panel for Northern Ireland; European Union peace and reconciliation projects; and certain other grants; implementation of the Independent Commission on Police findings; security; the Police Ombudsman; the Independent Assessor of Military Complaints Procedures in Northern Ireland; the Parades Commission; arms decommissioning; policing; prisons including the Prison Service Trust; and associated non-cash items.

RfR 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and Northern Ireland Act 2000

grants to the Northern Ireland Consolidated Fund and transfers of EU funds.

The **Northern Ireland Office** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Central Administration	31,014	4,337	81	4,256	35,270
RfR1 - B Ministers	3,544	5	-	5	3,549
RfR1 - C Political Directorate	13,658	468	-	468	14,126
RfR1 - D Bloody Sunday	1,000	10,331	-	10,331	11,331
RfR1 - E Department of the Director of Public Prosecutions	22,689	170	-	170	22,859
RfR1 - F Forensic Science Northern Ireland	1,111	1,850	1,900	-50	1,061
RfR1 - G Criminal Justice	41,437	2,047	-	2,047	43,484
RfR1 - H Compensation Agency	24,990	-20	1	-21	24,969
RfR1 - I Policing & Security	27,900	660	50	610	28,510
RfR1 - J Policing-Non Severance	2,000	3,817	-	3,817	5,817
RfR1 - K Northern Ireland Prison Service	117,515	10,875	-	10,875	128,390
RfR1 - L Youth Justice Agency	20,967	-7,038	-	-7,038	13,929
RfR1 - N Police	758,653	15,647	-	15,647	774,300
Total RfR1		43,149	2,032	41,117	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	20,602	15,059	35,661
Non-Operating AinA	50	-50	-
Net cash requirement	10,519,717	56,236	10,575,953

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: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending	190,651	101,323	864,297	1,156,271	10,676	1,145,595	35,661	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Central Administration	34,472	3,921	-	38,393	3,123	35,270	14,527	-	
B Ministers	3,549	-	-	3,549	-	3,549	-	-	
C Political Directorate	4,034	9,022	1,300	14,356	230	14,126	828	-	
D Bloody Sunday	3,000	8,331	-	11,331	-	11,331	-	-	
E Department of the Director of Public Prosecutions	16,029	6,916	-	22,945	86	22,859	678	-	
F Forensic Science Northern Ireland	8,002	-	-	8,002	6,941	1,061	384	-	
G Criminal Justice	10,016	14,764	18,704	43,484	-	43,484	6,359	-	
H Compensation Agency	4,197	-1,405	22,358	25,150	181	24,969	42	-	
I Policing & Security	4,730	14,435	9,405	28,570	60	28,510	111	-	
J Policing-Non Severance	-	5,817	-	5,817	-	5,817	-	-	
K Northern Ireland Prison Service	102,522	25,693	230	128,445	55	128,390	12,732	-	
L Youth Justice Agency	100	13,829	-	13,929	-	13,929	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
M Police Pensions	-	-	38,000	38,000	-	38,000	-	-	
Non-budget									
N Police	-	-	774,300	774,300	-	774,300	-	-	

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 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and Northern Ireland Act 2000	-	-	9,384,000	9,384,000	-	9,384,000	-	-	
Non-budget									
A Grants to the Northern Ireland Consolidated Fund	-	-	9,384,005	9,384,005	-	9,384,005	-	-	
B European Institutions (Net)	-	-	-5	-5	-	-5	-	-	
Total	190,651	101,323	10,248,297	10,540,271	10,676	10,529,595	35,661	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	£'000 <u>Revised</u>
Net total Resources	10,488,478	41,117	10,529,595
Voted capital items			
Capital expenditure	20,602	15,059	35,661
<i>Less:</i> non-operating A in A	<u>50</u>	<u>-50</u>	<u>-</u>
Total net voted capital	20,552	15,109	35,661
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-8,089	-634	-8,723
Depreciation	-21,951	3,617	-18,334
New provisions and adjustments to previous provisions	-22,984	-1,727	-24,711
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-1,394	-1,246	-2,640
Increase(+)/decrease (-) in stock	-13	-	-13
Increase(+)/decrease (-) in debtors	-405	-	-405
Increase(-)/decrease (+) in creditors	-200	-	-200
Use of provisions	<u>65,723</u>	<u>-</u>	<u>65,723</u>
Total accruals to cash adjustments	10,687	10	10,697
Excess cash to be CFERd	-	-	-
Net cash requirement	10,519,717	56,236	10,575,953

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	180,279	
RfR2	-	
Total Net Administration Costs		180,279
Net Programme Costs		
RfR1	965,316	
RfR2	9,384,000	
Total Net Programme costs		10,349,316
Total Net Operating Cost		10,529,595
<i>of which:</i>		
Net Resource Outturn		10,529,595
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		1,191,454

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	10,529,595
<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	-
Net Operating Costs (Accounts)	10,529,595
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	187,129
voted expenditure outside the budget	-9,571,129
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	32,905
unallocated resource provision	12,954
Other adjustments	-
Resource Budget Outturn (Budget)	1,191,454
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,153,454
Annually Managed Expenditure (AME)	38,000

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	35,661
<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	47,075
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	-
Capital Budget Outturn (Budget)	82,736
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	82,736
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Under Secretary of the Northern Ireland Office, Sir Joseph Pilling, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending		
Income from sale of land and buildings	-	-
Income from licences	10	-
Income from fees and charges	86	-
Recovery of costs	10,540	-
Income from other sales	40	-
Total RfR1	10,676 *	-

*Amount that may be applied as operating appropriations in aid in addition to the net total, arising from recoupment of electoral expenses, shared accommodation costs, receipts for the use of video conference facilities, certain pension contributions, receipts for accruing superannuation liability charges, fees and costs recovered or received for work done for other departments, freedom of information receipts, recovery of compensation paid, recovery of costs associated with supplying forensic science services, costs and fees awarded in favour of the Crown, receipts arising from arms decommissioning, proceeds of prison occupational services, sale of surplus stores and catering equipment, creche fees, and tuck shop receipts.

**Amount that may be applied as non operating appropriations in aid, arising from the sale of residential properties, surplus IT and office equipment.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Northern Ireland Office Departmental Expenditure Limit will change as follows:

	New DEL			£'000
	Change	Voted	Non-voted	Total
Resource	3,981	333,295	820,159	1,153,454
Capital	25,808	35,661	47,075	82,736
Depreciation*	-511	-18,334	-31,595	-49,929
Total	29,278	350,622	835,639	1,186,261

**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.*

The Administration Cost Limit has been increased by £3,981,000 from £175,744,000 to £179,725,000.

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	10,676

HM Treasury

Introduction

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

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

Increases:

Take up of End Year Flexibility

1. administration costs
£98,000
RfR 1: subhead A1
for administration of the Invest to Save Budget (ISB).
2. programme
£139,000
RfR 1: subhead A2
for increased ISB programme spend.

Transfers from Central Funds

1. administration costs
£35,000
RfR 1: subhead A1
draw down from the Evidence Based Policy Fund (EBPF) for a research project on regional inequalities in the United Kingdom.
2. programme
£300,000
RfR 1: subhead A2
draw down from the EBPF for subsequent transfer to the Office for National Statistics for the measurement of public sector output, as recommended by the Atkinson Review.

Transfers from other government departments

1. administration costs
£3,840,000
RfR 1: subhead A1
transfer of policy responsibility from the Inland Revenue as recommended by the O'Donnell Review.
2. administration costs
£1,645,000
RfR 1: subhead A1
transfer of policy responsibility from HM Customs and Excise as recommended by the O'Donnell Review.

Other increases

1. programme non-budget
£91,000
RfR1: subhead H2
the payment of claims covered by the Paymaster Indemnity Guarantee.

Neutral:Increases in spending offset by appropriations in aid

1. administrative costs
£0 (£200,000 A in A matched by £200,000 expenditure)
RfR 1: subheads A1 and A5
increased secondment receipts with a matching increase in expenditure.
2. programme
£0 (£5,900,000 A in A matched by £5,900,000 expenditure)
RfR 1: subheads A2 and A5
increased revenue for the Office of Paymaster General (OPG) with a matching increase in expenditure.

Transfers within the RfR

1. programme
£ 316,000 virement
RfR 1: subheads A2, E2 and F2
virement of £316,000 from subhead F2 to subheads A2, £227,000, and E2, £89,000.

Decreases:Transfers to other government departments

1. programme
£300,000
RfR 1: subhead A2
transfer to the Office for National Statistics for the measurement of public sector output, as recommended by the Atkinson Review.
2. programme
£30,000
RfR1: subhead A2
transfer to the Home Office for the GRECO project, which assesses national anti-corruption arrangements.

Other decreases

1. programme annually managed expenditure (AME)
£5,817,000
RfR1: subhead G2
to reduce the Bank of England cost of capital.

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

1. programme AME
£466,000
RfR 2: subhead A2
revised cost of capital on HM Treasury's investment in the Royal Mint.

Neutral:Increased spending offset by appropriations in aid

1. programme
£0 (£229,000 A in A matched by £229,000 expenditure)
RfR 2: subheads A2 and A5
for receipts from the sale of coinage scrap metal with a matching increase in expenditure.
2. As a result of these changes there is an increase in the net cash requirement of: £17,627,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

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	1,000
RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage	466,000
Total additional net resource requirement	467,000
Additional net cash requirement	17,627,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by 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; expenditure by the office of HM Paymaster General (OPG) for the provision of banking and related services to government departments and other bodies; grants in aid to four Parliamentary Bodies, expenses in connection with honours and dignities, a grant in aid to the Statistics Commission, payments relating to the Debt Management Office, payments under an indemnity guarantee in respect of Paymaster, payments to the Royal Mint, any compensation payments arising from gilt administration, management and sales of residual government shareholdings and holdings of privatized companies' debt, 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 the surplus civil estate, management of the Whitehall District Heating and Standby Distribution systems and associated non-cash items.

HM Treasury will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

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

Spending in Departmental Expenditure Limits (DEL)

RfR1 - A	Core Treasury	105,460	12,054	6,100	5,954	111,414
RfR1 - E	Investment in Partnerships UK	762	89	-	89	851
RfR1 - F	Privatisation programme residual shareholdings	379	-316	-	-316	63

Spending in Annually Managed Expenditure (AME)

RfR1 - G	Investment in Bank of England	106,000	-5,817	-	-5,817	100,183
----------	-------------------------------	---------	--------	---	--------	---------

Non-budget

RfR1 - H	Paymaster indemnity guarantee	-	91	-	91	91
----------	-------------------------------	---	----	---	----	----

Total RfR1

6,101	6,100	1
--------------	--------------	----------

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

Spending in Departmental Expenditure Limits (DEL)

RfR2 - A	UK coinage	33,700	229	229	-	33,700
RfR2 - B	UK coinage	3,714	466	-	466	4,180

Total RfR2

695	229	466
------------	------------	------------

Total Changes to RfRs

6,796	6,329	467
--------------	--------------	------------

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	9,075	-	9,075
Non-Operating AinA	-	-	-
Net cash requirement	202,912	17,627	220,539

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: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all	111,796	122,243	3,049	237,088	6,912	230,176	5,680	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Core Treasury	101,989	15,637	-	117,626	6,212	111,414	3,280	-	
B Debt Management Office	9,807	3,668	-	13,475	700	12,775	2,400	-	
C Parliament and Privy Council	-	-	3,049	3,049	-	3,049	-	-	
D Statistics Commission	-	1,750	-	1,750	-	1,750	-	-	
E Investment in Partnerships UK	-	851	-	851	-	851	-	-	
F Privatisation programme residual shareholdings	-	63	-	63	-	63	-	-	
<i>Provision of information to business about the euro</i>	-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
G Investment in Bank of England	-	100,183	-	100,183	-	100,183	-	-	
Non-budget									
H Paymaster indemnity guarantee	-	91	-	91	-	91	-	-	
RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage	-	38,109	-	38,109	229	37,880	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A UK coinage	-	33,929	-	33,929	229	33,700	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B UK coinage	-	4,180	-	4,180	-	4,180	-	-	

Part II: Revised subhead detail including additional provision (*cont.*)

	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 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis	51,025	3,381	-	54,406	14,684	39,722	3,395	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Office of Government Commerce	51,025	3,381	-	54,406	14,684	39,722	3,395	-	
Total	162,821	163,733	3,049	329,603	21,825	307,778	9,075	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	307,311	467	307,778
Voted capital items			
Capital expenditure	9,075	-	9,075
<i>Less: non-operating A in A</i>	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	9,075	-	9,075
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-120,632	16,236	-104,396
Depreciation	-8,044	390	-7,654
New provisions and adjustments to previous provisions	958	-2,401	-1,443
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-60	-	-60
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>14,304</u>	<u>2,935</u>	<u>17,239</u>
Total accruals to cash adjustments	-113,474	17,160	-96,314
Excess cash to be CFERd	-	-	-
Net cash requirement	202,912	17,627	220,539

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>£'000</u>
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	
Operating income not classified as A in A	32,825	<i>27,500</i>	61,037	<i>51,489</i>	
Non-operating income not classified as A in A	-	-	1,392	30	
Other amounts collectable on behalf of the Consolidated Fund	1,515	-	1,515	-	
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	
Total	<u>34,340</u>	<u><i>27,500</i></u>	<u>63,944</u>	<u><i>51,519</i></u>	

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	111,484	
RfR2	-	
RfR3	41,025	
	<hr/>	
Total Net Administration Costs		152,509
Net Programme Costs		
RfR1	59,131	
RfR2	36,404	
RfR3	-1,303	
Non voted	18,200	
	<hr/>	
Total Net Programme costs		112,432
Total Net Operating Cost		264,941
<i>of which:</i>		
Net Resource Outturn		307,778
CFERs		-61,037
Non-voted expenditure		18,200
Resource Budget Outturn		281,049

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	307,778
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	18,200
Consolidated Fund extra receipts (CFERS) in the OCS	-61,037
Other adjustments	-
Net Operating Costs (Accounts)	264,941
<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	-91
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-1,515
resource consumption of non departmental public bodies	-
unallocated resource provision	865
Other adjustments	16,849
Resource Budget Outturn (Budget)	281,049
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	242,689
Annually Managed Expenditure (AME)	38,360

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	9,075
<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	-
Capital Budget Outturn (Budget)	9,075
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	9,075
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Permanent Secretary to the Treasury is Principal Accounting Officer with overall responsibility for preparing the Department's Estimate. In addition, the Treasury has appointed an Additional Accounting Officer for the Office of Government Commerce, to be responsible for that part of the Department's accounts relating to a specified request for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Permanent Secretary's overall responsibility as Accounting Officer for the Department's Estimate and overall cash requirement.

The allocation of Accounting Officer responsibilities in the Treasury is as follows:

Request for Resources 1	Gus O'Donnell, Principal Accounting Officer and Permanent Head of Department
Request for Resources 2	Gus O'Donnell, Principal Accounting Officer and Permanent Head of Department
Request for Resources 3	John Oughton, Additional Accounting Officer and Chief Executive of the Office of Government Commerce

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum the relationship between the Treasury's Principal Accounting Officer and Additional Accounting Officer together with their respective responsibilities is set out in writing.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
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		
Charges for courses, services provided by the Economist Group Management Unit and officers loaned to other organisations, sale of publications, receipts from the European Community; costs from minor occupiers; recovery actions in connection with Barlow Clowes; receipt of fees for use of conference facilities in 1 Horse Guards Road and European Fast Stream income from Cabinet Office	312	-
Fees and charges for services provided by the OPG	5,900	-
Income due to the Debt Management Office for advertising costs, stock exchange listings, data provision, management and administration of certain public and private funds and provision of a lending service to local authorities	700	-
Total RfR1	6,912 *	-
*Amount that may be applied as 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 Economist Group Management Unit and 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; income from publications, travel costs recovered from the European Community; recoveries of costs from minor occupiers; income from recovery actions in connection with Barlow Clowes; income from fees charged 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 advertising costs, stock exchange listings, data provision, management and administration of certain public and private funds and provision of a lending service to local authorities; European Fast Stream income from Cabinet Office; amounts arising from the sale of shares and debt, fees and charges for services provided by the OPG.		
RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage		
Sale of scrap metal	229	-
Total RfR2	229 *	-
*Amount that may be applied as appropriations in aid in addition to the net total, arising from the sale of scrap metal.		
RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis		
Consultancy and other customer services	10,000	-
Temporary hiring of vacant property, charges for the Whitehall District Heating and Standby Systems, sale of surplus energy, sale of fixed assets and the OGC buying.solutions dividend	4,684	-
Total RfR3	14,684 *	-
*Amount that may be applied as 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.		
Total A in A	21,825	-

Analysis of Consolidated Fund extra receipts

	£'000	
	2004-05 provision	
	Income	Receipts
Current investments (operating income)	20,288	21,140
Fixed investments	40,000	29,600
Miscellaneous	749	749
Current investments (non-operating income)	1,392	30
Civil list	1,515	-
Total	63,944	51,519

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the HM Treasury Departmental Expenditure Limit will change as follows:

	New DEL			£'000
	Change	Voted	Non-voted	Total
Resource	17,115	203,324	39,365	242,689
Capital	-	9,075	-	9,075
Depreciation*	390	-7,654	-	-7,654
Total	17,505	204,745	39,365	244,110

**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.*

The Administration Cost Limit has been increased by £5,618,000 from £146,891,000 to £152,509,000.

Cash which may be retained to offset expenditure

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

£'000
21,825

HM Customs and Excise

Introduction

- This Supplementary Estimate is required for the following purposes:

RfR 1: Administering the indirect tax and customs control systems fairly and efficiently, enabling individuals and businesses to understand and comply with their obligations

Increases:

Take up of End Year Flexibility

- Draw down of Administration and Capital EYF
£41,914,000 in administration costs and £3,680,000 in capital
RfR1A and RfR2A
EYF entitlement as set out in the Public Expenditure Outturn White Paper (CM6293) is being partially drawn down. It will meet committed costs of key business programmes and strategies.

Transfers from Central Funds

- Spending Review 2004 Ring-Fenced funding
£25,300,000
RfR1A
£25,000,000 in respect of Lorry Road User Charging and £300,000 from the Efficiency Challenge Fund in programme expenditure

Transfers from non-voted spending

- Take up of Dual-Key Departmental Unallocated Provision
£15,000,000
RfR1A
Draw down of VAT Strategy dual - key administration costs funding approved by the Treasury

Transfers from other government departments

- £6,627,000
RfR1A
Programme expenditure transfers from the Home Office including those from their Recovered Assets Incentivisation Fund; and from funds to support anti-terrorism work, which has also provided £90,000 in capital

Decreases

Other decreases

- Transfer to other RfRs within the Estimate: to RfR2
£1,866,000
RfR2A
Revisions to the baseline, transfer of EYF and provision of a dowry to assist the move to full independence

Transfers to other government departments

1. £1,785,000
RfR1A

Administration costs of £1,645,000 to H M Treasury to cover the costs of the transfer of specific policy work; and £140,000 to the Home Office as a contribution towards the cost of two specific projects and electro mechanical services

Neutral changesTransfers within the RfR

1. Transfers from administration costs to programme expenditure
£5,793,000
RfR1A
Transfer of EYF and existing provision in administration costs for Lorry Road User Charging

Increased spending offset by income

1. £1,798,000
RfR1A
To increase resources on administration costs by £1,798,000 to be paid for through the recovery of additional receipts in respect of the money laundering regime

RfR 2: The effective and efficient prosecution of cases in accordance with the Code for Crown Prosecutors**Increases:**Other increases

1. Transfer from other RfRs within the Estimate
Transfer from RfR1
£1,866,000
RfR2A
Revisions to the baseline, transfer of EYF and provision of a dowry to assist the move to full independence
2. As a result of these changes there is an increase in the net cash requirement of £90,736,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Administering the indirect tax and customs control systems fairly and efficiently, enabling individuals and businesses to understand and comply with their obligations	85,100,000
RfR 2: The effective and efficient prosecution of cases in accordance with the Code for Crown Prosecutors	1,866,000
Total additional net resource requirement	86,966,000
Additional net cash requirement	90,736,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by HM Customs and Excise on:

RfR 1: Administering the indirect tax and customs control systems fairly and efficiently, enabling individuals and businesses to understand and comply with their obligations
administrative costs of taxation; the operation of customs revenue controls; the provision of trade information and other customs and excise related services; supervision of the money laundering regulatory regime; payments in respect of Shipbuilders' Relief; the administration of Lorry Road User Charging and the Customs and Excise National Museum; and on associated non-cash items.

RfR 2: The effective and efficient prosecution of cases in accordance with the Code for Crown Prosecutors
administration and legal costs of prosecuting cases by the Customs and Excise Prosecutions Office, and associated non-cash items.

The **Customs and Excise Department** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Administering the indirect tax and customs control systems fairly and efficiently, enabling individuals and businesses to understand and comply with their obligations					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Administration	1,211,992	86,898	1,798	85,100	1,297,092
Total RfR1		86,898	1,798	85,100	
RfR 2: The effective and efficient prosecution of cases in accordance with the Code for Crown Prosecutors					
Spending in Departmental Expenditure Limits (DEL)					
RfR2 - A Administration	28,074	1,866	-	1,866	29,940
Total RfR2		1,866	-	1,866	
Total Changes to RfRs		88,764	1,798	86,966	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	76,565	3,770	80,335
Non-Operating AinA	759	-	759
Net cash requirement	1,260,221	90,736	1,350,957

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: Administering the indirect tax and customs control systems fairly and efficiently, enabling individuals and businesses to understand and comply with their obligations	1,216,333	101,674	435	1,318,442	21,349	1,297,093	80,335	759	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	1,216,333	101,474	435	1,318,242	21,150	1,297,092	80,335	759	
Non-budget									
B Operational local clearance procedures	-	200	-	200	199	1	-	-	
RfR 2: The effective and efficient prosecution of cases in accordance with the Code for Crown Prosecutors	12,886	17,054	-	29,940	-	29,940	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	12,886	17,054	-	29,940	-	29,940	-	-	
Total	1,229,219	118,728	435	1,348,382	21,349	1,327,033	80,335	759	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	1,240,067	86,966	1,327,033
Voted capital items			
Capital expenditure	76,565	3,770	80,335
<i>Less: non-operating AinA</i>	<u>759</u>	<u>-</u>	<u>759</u>
Total net voted capital	75,806	3,770	79,576
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-7,820	-	-7,820
Depreciation	-44,780	-	-44,780
New provisions and adjustments to previous provisions	-4,087	-	-4,087
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-130	-	-130
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-2,401	-	-2,401
Increase(-)/decrease (+) in creditors	28	-	28
Use of provisions	<u>3,538</u>	<u>-</u>	<u>3,538</u>
Total accruals to cash adjustments	-55,652	-	-55,652
Excess cash to be CFERd	-	-	-
Net cash requirement	1,260,221	90,736	1,350,957

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	1,205,605	
RfR2	<u>12,886</u>	
Total Net Administration Costs		1,218,491
Net Programme Costs		
RfR1	91,488	
RfR2	<u>17,054</u>	
Total Net Programme costs		108,542
Total Net Operating Cost		1,327,033
<i>of which:</i>		
Net Resource Outturn		1,327,033
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		1,327,032

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	1,327,033
<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	-
Net Operating Costs (Accounts)	1,327,033
<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	-1
<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 Outturn (Budget)	1,327,032
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,327,032
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	79,576
<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	1,000
Other adjustments	-
Capital Budget Outturn (Budget)	80,576
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	80,576
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of H M Customs and Excise, Mr. David Varney, as Principal Accounting officer of the Department with responsibility for preparing the Department's Estimate.

In addition the Treasury has appointed two additional Accounting Officers to be responsible for those parts of the Department's accounts relating to specified requests for resources and the associated assets, liabilities and cash flows. These appointments do not detract from the Chairman's overall responsibility as Principal Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of Accounting officer responsibilities in H M Customs and Excise are as follows:

Request for Resources 1:	Paul Gray, Additional Accounting Officer
Request for Resources 2:	Michael Eland, Additional Accounting Officer for the Customs and Excise Prosecutions Office

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Government Accounting. Under the terms of the Accounting Officers' Memorandum the relationship between the HM Customs and Excise Principal and Additional Accounting Officers, together with their respective responsibilities, is set out in writing.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Administering the indirect tax and customs control systems fairly and efficiently, enabling individuals and businesses to understand and comply with their obligations		
Income from charges for special attendance	940	-
Income from recovery of costs and expenses	8,267	-
Income from international commitment charges	2,343	-
Income from the sale of certificates and statistical services	326	-
Income from Estate Management services	1,515	-
Income from Shipbuilders' Relief	3,517	-
Local clearance procedure receipts	199	-
Fees received from the money laundering regulatory regime	3,742	-
Other miscellaneous receipts	500	-
Income from the sale of fixed assets	-	759
Total RfR1	21,349 *	759 **

*Amount that may be applied as appropriations in aid in addition to the net total, arising from income received: for the special attendance of officers; from charges for international commitments; from the sale of statistical services and certificates and from estate management services; the recovery of law costs; the costs of staff on loan; EC travelling expenses and receipts from the EC; receipts in respect of Shipbuilders' Relief and local clearance procedures under Single European Authorisations; receipts from insurance and compensation claims; marine fuel relief; fees received from the money laundering regulatory regime; and other miscellaneous administration and programme costs receipts.

**Amount that may be applied as non-operating appropriations in aid arising from the recovery of income from the sale of fixed assets and from the sale of land and buildings.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Customs and Excise Departmental Expenditure Limit will change as follows:

		New DEL		£'000
	Change	Voted	Non-voted	Total
Resource	71,966	1,327,032	-	1,327,032
Capital	3,770	79,576	1,000	80,576
Depreciation*	-	-44,780	-	-44,780
Total	75,736	1,361,828	1,000	1,362,828

**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.*

The Administration Cost Limit has been increased by £34,476,000 from £1,184,015,000 to £1,218,491,000.

Cash which may be retained to offset expenditure

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

£'000
22,108

Inland Revenue

Introduction

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

RfR 1: Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue

Increases:

Take up of End Year Flexibility

1. Administration, capital and programme costs.
£90,121,000 administration; £15,024,000 programme; and £29,472,000 capital.
RfR : subheads A1 and A7
IR has EYF entitlement as set out in the Public Expenditure Outturn White Paper (CM6293). The amounts to be taken up in full, switching programme EYF to capital EYF to cover spending on several departmental initiatives such as New Tax Credits, Construction Industry Scheme and Aspire transitional costs.

Transfers from Other Government Departments

2. Transfer of programme funding from The Home Office to Inland Revenue
£782,000
RfR: subhead A2
For staff costs for a money laundering team in London and four regional asset recovery teams.

Transfers from non-voted spending

1. Take up Departmental Unallocated Provision held as administration
£42,200,000
RfR: subhead A1
To cover funding cost pressures mainly on Modernising Stamp Duty and Pensions Simplifications.
2. Take up ring fenced E-Government Funding
£24,000,000
RfR: subhead A1
To cover continued work on the E-Government Programme

Transfers from Central Funds

2. Take up Efficiency Challenge Fund Award
£20,700,000
RfR: subhead A2
For work on modernising the PAYE system.

Decreases

Other decreases

1. Transfer from RfR 1 to RfR 2 to switch Programme EYF to increase Capital expenditure
£2,006,000
RfR: subhead A7
Transfer to capital to cover capitalised in-house software, particularly in connection with the Valuation Office Agency's Council Tax Revaluation project.

2. Remove charges that are no longer paid for Section B
£3,665,000
RfR: subhead B6
Reduction in the vote due to obsolete charges.

Transfers to other government departments

2. Transfer of Policy from Inland Revenue to HM Treasury
£3,840,000
RfR: subhead A1
150 staff transferring to the Tax Policy Team at HM Treasury.

RfR 2: Growing a contribution to the good management of property where the public interest is involved

Neutral changes:

Increased spending offset by income

1. To reflect an increase in the demand for the Valuation Office Agency services
£52,877,000
RfR: subheads A1, A5
Increase in service provided for Land Services and Local Taxation work.

RfR 3: Providing payments in lieu of tax relief to certain bodies

Increase:

Other increases

1. To reflect an increase in the AME forecast
£3,000,000
RfR: subhead A3
Increase mainly to reflect a rise in the supplements on payroll giving

RfR 4: Making payments of rates to Local Authorities on behalf of certain bodies

Increase:

Other increases

1. To reflect an increase in the AME forecast
£3,093,000
RfR: subheads A2, A5
Rise in non-domestic property rates payable to billing authorities in respect of Diplomatic missions

RfR 5: Payments of Child Benefit and Child Trust Fund endowments

Decrease:

Other decreases

1. To reflect a reduction in the AME forecast
£39,000,000
RfR: subheads A3
Reflects a reduction in the payments for Child Benefit and Lone Parent Addition
2. As a result of these changes there is an increase in the net cash requirement of: £182,787,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue	†	170,298,000
RfR 2: Growing a contribution to the good management of property where the public interest is involved		1,000
RfR 3: Providing payments in lieu of tax relief to certain bodies		3,000,000
RfR 4: Making payments of rates to Local Authorities on behalf of certain bodies		3,093,000
RfR 5: Payments of Child Benefit and Child Trust Fund endowments	†	-39,000,000
Total additional net resource requirement		137,392,000
Additional net cash requirement		182,787,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Inland Revenue on:

RfR 1: Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue

administration and the associated non-cash items incurred in the management and collection of the direct taxes, tax credits, national insurance contributions, child benefit and Child Trust Fund, administration of the National Insurance Funds for Great Britain and Northern Ireland, for services provided to the Department's information technology and wider markets', for other departments and public bodies, and for overseas tax administration.

RfR 2: Growing a contribution to the good management of property where the public interest is involved

administration and the associated non-cash incurred in the provision of valuation and other services for government departments and other public bodies by the Valuation Office Agency.

RfR 3: Providing payments in lieu of tax relief to certain bodies

transitional payments to charities, supplements on payroll giving, donations to charities and on personal and stakeholder pension schemes, life assurance premium relief, stamp duty relief and residual payments for mortgage interest relief, vocational training relief and private medical insurance.

RfR 4: Making payments of rates to Local Authorities on behalf of certain bodies

rates paid by the Inland Revenue Department in respect of non-domestic property occupied by accredited representatives of Commonwealth and foreign countries and certain international organisations, contributions in lieu of rates in respect of properties occupied by the Crown in Gibraltar and other similar payments.

RfR 5: Payments of Child Benefit and Child Trust Fund endowments

payments of Child Benefit, Child Trust Funds and the associated non-cash items.

The **Inland Revenue Department** will account for this Estimate.

† The reduction in the net resource requirement for RfR 5 of £39,000,000 is to be used to offset the increase in net resources for RfR 1.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Administration	2,577,508	173,963	-	173,963	2,751,471
Non-budget					
RfR1 - B Administration	3,665	-3,665	-	-3,665	-
Total RfR1		170,298	-	170,298	
RfR 2: Growing a contribution to the good management of property where the public interest is involved					
Spending in Departmental Expenditure Limits (DEL)					
RfR2 - A Administration	4	52,878	52,877	1	5
Total RfR2		52,878	52,877	1	
RfR 3: Providing payments in lieu of tax relief to certain bodies					
Spending in Annually Managed Expenditure (AME)					
RfR3 - A Payments in lieu of tax relief	121,000	3,000	-	3,000	124,000
Total RfR3		3,000	-	3,000	
RfR 4: Making payments of rates to Local Authorities on behalf of certain bodies					
Spending in Annually Managed Expenditure (AME)					
RfR4 - A Payments of Local Authority rates	31,210	3,539	446	3,093	34,303
Total RfR4		3,539	446	3,093	
RfR 5: Payments of Child Benefit and Child Trust Fund endowments					
Spending in Annually Managed Expenditure (AME)					
RfR5 - A Children's benefits	9,633,277	-39,000	-	-39,000	9,594,277
Total RfR5		-39,000	-	-39,000	
Total Changes to RfRs		190,715	53,323	137,392	

£'000

Capital and Cash	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	234,041	44,496	278,537
Non-Operating AinA	3,221	-	3,221
Net cash requirement	12,376,186	182,787	12,558,973

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: Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue	3,132,500	21,482	-	3,153,982	402,511	2,751,471	266,870	3,059	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	3,132,500	21,482	-	3,153,982	402,511	2,751,471	266,870	3,059	
Non-budget									
B Administration	-	-	-	-	-	-	-	-	
RfR 2: Growing a contribution to the good management of property where the public interest is involved	205,805	-3		205,802	205,800	2	11,667	162	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	205,805	-	-	205,805	205,800	5	11,667	162	
Non-budget									
B Administration	-	-3	-	-3	-	-3	-	-	
RfR 3: Providing payments in lieu of tax relief to certain bodies			124,000	124,000		124,000			
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Payments in lieu of tax relief	-	-	124,000	124,000	-	124,000	-	-	
RfR 4: Making payments of rates to Local Authorities on behalf of certain bodies		38,459		38,459	4,156	34,303			
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Payments of Local Authority rates	-	38,459	-	38,459	4,156	34,303	-	-	
RfR 5: Payments of Child Benefit and Child Trust Fund endowments			10,174,277	10,174,277		10,174,277			
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Children's benefits	-	-	9,594,277	9,594,277	-	9,594,277	-	-	
B Child Trust Fund Endowments	-	-	580,000	580,000	-	580,000	-	-	
Total	3,338,305	59,938	10,298,277	13,696,520	612,467	13,084,053	278,537	3,221	

Part II: Resource to cash reconciliation

£'000

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
Net total Resources	12,946,661	137,392	13,084,053
Voted capital items			
Capital expenditure	234,041	44,496	278,537
<i>Less: non-operating A in A</i>	<u>3,221</u>	<u>-</u>	<u>3,221</u>
Total net voted capital	230,820	44,496	275,316
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-21,376	-34	-21,410
Depreciation	-151,653	-942	-152,595
New provisions and adjustments to previous provisions	-600,111	-283	-600,394
Profit/loss on sale of assets	-490	490	-
Prior period adjustments	-	-	-
Other non-cash items	-390	-490	-880
Increase(+)/decrease (-) in stock	-500	-	-500
Increase(+)/decrease (-) in debtors	-29,005	-	-29,005
Increase(-)/decrease (+) in creditors	-1,847	900	-947
Use of provisions	<u>4,077</u>	<u>1,258</u>	<u>5,335</u>
Total accruals to cash adjustments	-801,295	899	-800,396
Excess cash to be CFERd	-	-	-
Net cash requirement	12,376,186	182,787	12,558,973

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	3,075,752	
RfR2	5	
RfR3	-	
RfR4	-	
RfR5	-	
	<hr/>	
Total Net Administration Costs		3,075,757
Net Programme Costs		
RfR1	-324,281	
RfR2	-3	
RfR3	124,000	
RfR4	34,303	
RfR5	10,174,277	
	<hr/>	
Total Net Programme costs		10,008,296
Total Net Operating Cost		13,084,053
<i>of which:</i>		
Net Resource Outturn		13,084,053
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		24,626,477

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	13,084,053
<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	-
Net Operating Costs (Accounts)	13,084,053
<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	3
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	11,542,421
Resource Budget Outturn (Budget)	24,626,477
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	3,082,894
Annually Managed Expenditure (AME)	21,543,583

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	275,316
<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	-
Capital Budget Outturn (Budget)	275,316
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	275,316
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chairman of the Board of Inland Revenue, Mr David Varney, as Principal Accounting Officer for the Department with overall responsibility for preparing the Department's accounts and for submitting them to the Comptroller and Auditor General.

In addition the Treasury has appointed additional Accounting Officers to be responsible for those parts of the Department's accounts relating to specified requests for resources, and the associated assets, liabilities and cash flows. These appointments do not detract from the Chairman's overall responsibility as Principal Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of Accounting Officer responsibilities in the Inland Revenue are as follows:

Request for Resources 1 and 5	Paul Gray, Additional Accounting Officer and Deputy Executive Chairman of the Inland Revenue.
Request for Resources 2 and 4	Andrew Hudson, Additional Accounting Officer and Chief Executive of the Valuation Office Agency.
Request for Resources 3	David Hartnett, Additional Accounting Officer and Director General Policy and Technical of the Inland Revenue.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum the relationship between the Inland Revenue's Principal and Additional Accounting Officers, together with their respective responsibilities, is set out in writing.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue		
Recovery of costs of collecting NICs	345,763	-
Receipts from sale of assets	-	3,059
Receipts from certain tax penalties	15,000	-
Rent from private tenants and other government departments	5,440	-
Receipts from VOA, other government departments and other bodies	19,492	-
Other receipt	16,816	-
Total RfR1	402,511 *	3,059 **
*Amount that may be applied as appropriations in aid in addition to the net total arising from: law costs recovered; recoveries of overpayments in prior years; excess cash receipts; subsidies for New Deal jobseekers employed; recovery of costs of seconded staff; receipts from sale of publications; receipts for services provided to the Valuation Office Agency, government departments and other bodies; receipts from the use of certain official cars; recovery of the costs of administering the National Insurance Funds and collection of National Insurance contributions; rent receipts from other government departments and private tenants; receipts from certain tax penalties; other administration costs receipts.		
**Amount that may be applied as non-operating appropriations in aid arising from the recovery of income from the sale of assets		
RfR 2: Growing a contribution to the good management of property where the public interest is involved		
Recovery of costs of rating and valuation services	205,800	-
Receipts from sale of assets	-	162
Total RfR2	205,800 *	162 **
*Amount that may be applied as appropriations in aid in addition to the net total arising from: recovery of costs of valuation and other services, receipts from use of certain official cars, receipts from sale of information and publications, recovery of law costs, rent receipts from other government departments and private tenants, other administration costs receipts		
**Amount that may be applied as non-operating appropriations in aid arising from the recovery of income from the sale of assets		
RfR 4: Making payments of rates to Local Authorities on behalf of certain bodies		
Repayments by commonwealth and foreign countries and international organisations	4,156	-
Total RfR4	4,156 *	- **
*Amount that may be applied as appropriations in aid in addition to the net total arising from: payment of rates by accredited Commonwealth and foreign countries and certain international organisations; refunds from local authorities; and Ministry of Defence property in Gibraltar		
Total A in A	612,467	3,221

Departmental Expenditure Limits and Administration Costs Limits

As announced by the Chancellor of the Exchequer to the House of Commons, the Inland Revenue Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	107,764	2,751,476	331,418	3,082,894
Capital	44,986	275,316	-	275,316
Depreciation*	-942	-152,595	-	-152,595
Total	151,808	2,874,197	331,418	3,205,615

**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.*

The Administration Cost Limit has been increased by £86,282,000 from £2,989,475,000 to £3,075,757,000.

Cash which may be retained to offset expenditure

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

£'000
615,688

Office for National Statistics

Introduction

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

RfR 1: Providing statistical and registration services

Increases:

Transfers from non-voted spending

1. Take up of Departmental Unallocated Provision (DUP)
Amount: £36,100,000
Section: A
Reason: To draw down £6,000,000 (administration) to meet in year pressures, £15,000,000 (administration) and £15,100,000 (capital) in respect of ONS's Statistical Modernisation Programme

Transfers from other government departments

1. Amount: £500,000
Section: A
Reason: Transfer of £300,000 (administration) from HM Treasury in respect of the Atkinson Review and £200,000 (administration) from Department for Constitutional Affairs in respect of the Gender Recognition Project.

Decreases:

Transfers to other government departments

1. Amount: £922,000
Section: A
Reason: Transfers of £518,000 (administration) to the Office of the Deputy Prime Minister, £44,000 (administration) to Department for Constitutional Affairs, £195,000 (administration) and 5,000 (capital) to Department of Health, £34,000 (administration) to Department for Transport and £126,000 (administration) to Department for Education and Skills in respect of data development work for the Neighbourhood Statistics programme
2. As a result of these changes there is an increase in the net cash requirement of: £35,678,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Providing statistical and registration services	20,583,000
---	-------------------

Total additional net resource requirement	20,583,000
---	------------

Additional net cash requirement	35,678,000
--	-------------------

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Office for National Statistics on:

RfR 1: Providing statistical and registration services

collection, preparation and dissemination of economic, social, labour market and other statistics; register services, departmental administration and associated non-cash items.

The **Office for National Statistics** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Providing statistical and registration services					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Administration (Gross Control)	132,786	20,754	-	20,754	153,540
RfR1 - B Customer Funded (Net Control)	-30	-171	-	-171	-201
Non-budget					
RfR1 - C EU Receipts	-1,000	-	-	-	-1,000
Total RfR1		20,583	-	20,583	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	9,820	15,095	24,915
Non-Operating AinA	79	171	250
Net cash requirement	125,883	35,678	161,561

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: Providing statistical and registration services	188,650	550	-	189,200	36,861	152,339	24,915	250	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration (Gross Control)	167,400	550	-	167,950	14,410	153,540	24,261	-	
B Customer Funded (Net Control)	21,250	-	-	21,250	21,451	-201	654	250	
Non-budget									
C EU Receipts	-	-	-	-	1,000	-1,000	-	-	
Total	188,650	550	0	189,200	36,861	152,339	24,915	250	

Part II: Resource to cash reconciliation

£'000

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>Revised</u>
Net total Resources	131,756	20,583	152,339
Voted capital items			
Capital expenditure	9,820	15,095	24,915
<i>Less:</i> non-operating A in A	<u>79</u>	<u>171</u>	<u>250</u>
Total net voted capital	9,741	14,924	24,665
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-1,896	-	-1,896
Depreciation	-13,837	-	-13,837
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-171	171	-
Prior period adjustments	-	-	-
Other non-cash items	-151	-	-151
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>441</u>	<u>-</u>	<u>441</u>
Total accruals to cash adjustments	-15,614	171	-15,443
Excess cash to be CFERd	-	-	-
Net cash requirement	125,883	35,678	161,561

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
<hr/>		
Net Administration Costs		
RfR1	152,789	
	<hr/>	
Total Net Administration Costs		152,789
Net Programme Costs		
RfR1	-450	
	<hr/>	
Total Net Programme costs		-450
Total Net Operating Cost		152,339
<i>of which:</i>		
Net Resource Outturn		152,339
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		153,339
<hr/>		

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	152,339
<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	-
Net Operating Costs (Accounts)	152,339
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	1,000
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 Outturn (Budget)	153,339
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	153,339
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	24,665
<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	-
Capital Budget Outturn (Budget)	24,665
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	24,665
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director of the Office for National Statistics, Mr Len Cook, as the Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Providing statistical and registration services		
Cash fees for searches, verifications and certified copies of register entries	7,952	-
Repayment Services	22,121	-
Receipts from sale of data, publications etc.	4,978	-
Receipts from EU and other overseas contracts	1,805	-
Car Leasing Scheme for the Registration Inspectorate	5	-
Sale of surplus assets	-	250
Total RfR1	36,861 *	250 **

*Amount that may be applied as appropriations in aid in addition to the net total, arising from sale of statistical information publications and other services to other departments, the European Union and the public.

**Amount that may be applied as non-operating appropriations in aid, arising from the recovery of income from the sale of surplus assets.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Office for National Statistics Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	-417	153,339	-	153,339
Capital	-5	24,665	-	24,665
Depreciation*	-	-13,837	-	-13,837
Total	-422	164,167	-	164,167

**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.*

The Administration Cost Limit has been decreased by £417,000 from £153,677,000 to £153,260,000.

Cash which may be retained to offset expenditure

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

£'000
37,111

Cabinet Office

Introduction

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

RfR 1: Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives

Decreases

Transfer to other government departments

- 1 Machinery of Government Transfer
Administration cost
£2,585,000
RfR : Subhead A1
Transfer of Shareholder Executive from Cabinet Office to Department of Trade and Industry.

Neutral changes

Increased spending offset by income

- 1 Adjustments to Programme Cost and Appropriations in Aid
£6,300,000
RfR : Subheads A2;A5
Contributions from other government departments to fund the Go In Stay In Tune In public information campaign
 - 2 Adjustments to Administration cost and Appropriations in Aid
£200,000
RfR : Subheads A1;A5
Contributions from Office of the Deputy Prime Minister and HM Treasury for the HR Shared Services Project
 - 3 Adjustments to Administration cost and Appropriations in Aid
£40,000
RfR : Subhead A1;A5
Income from courses run for Social Researchers in Government.
 - 4 Adjustments to Administration cost and Appropriations in Aid
£50,000
RfR : Subhead A1;A5
Contribution from Department for International Development for the Countries at Risk of Instability project.
 - 5 Adjustments to Administration cost and Appropriations in Aid
£185,000
RfR : Subhead A1;A5
Funding from Department of Constitutional Affairs for the Legal Aid project.
2. As a result of these changes there is an decrease in the net cash requirement of: £2,585,000
 3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives	†	-2,585,000
Total additional net resource requirement		-2,585,000
Additional net cash requirement	†	-2,585,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Cabinet Office on:

RfR 1: Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives

The Prime Minister's Office; the offices of the Minister for the Cabinet Office and the Minister of State, Cabinet Office; the offices of the Lord Privy Seal and of the Government Whips in the House of Commons and the House of Lords; the Parliamentary Counsel Office; the Cabinet Secretariat; payments to former Prime Ministers; the central management of, and delivery of services to, the Civil Service and wider public sector; improving public services; civil service reform; cross-departmental IT systems; co-ordination of cross-cutting issues; grants to certain not for profit organisations; emergency planning grants to local authorities; expenditure associated with the awards of honours and dignities; the Shareholder Executive; certain other services; and associated non-cash items.

The **Cabinet Office** will account for this Estimate.

† The Shareholder Executive function was transferred to the Department of Trade and Industry on 14th June 2004. The changes relating to this machinery of government transfer are that the net resource and net cash requirements are both reduced by £2,585,000.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

RfR 1: Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives

Spending in Departmental Expenditure Limits (DEL)

RfR1 - A	Cabinet Office	247,149	4,190	6,775	-2,585	244,564
RfR1 - B	Centre for Management and Policy Studies	2,977	-	-	-	2,977
RfR1 - C	Government Car and Despatch Agency	-	-	-	-	-
RfR1 - D	Emergency planning grants	19,038	-	-	-	19,038
Total RfR1			4,190	6,775	-2,585	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	31,172	-	31,172
Non-Operating AinA	172	-	172
Net cash requirement	239,220	-2,585	236,635

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: Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives	288,352	31,708	21,656	341,716	75,137	266,579	31,172	172	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Cabinet Office	245,194	31,708	2,618	279,520	34,956	244,564	29,149	22	
B Centre for Management and Policy Studies	27,157	-	-	27,157	24,180	2,977	763	-	
C Government Car and Despatch Agency	16,001	-	-	16,001	16,001	-	1,260	150	
<i>Support for Local Authorities</i>									
D Emergency planning grants	-	-	19,038	19,038	0	19,038	-	-	
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
<i>Cabinet Office</i>	-	-	-	-	-	-	-	-	
Total	288,352	31,708	21,656	341,716	75,137	266,579	31,172	172	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	269,164	-2,585	266,579
Voted capital items			
Capital expenditure	31,172	-	31,172
<i>Less:</i> non-operating A in A	<u>172</u>	<u>-</u>	<u>172</u>
Total net voted capital	31,000	-	31,000
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-10,582	-	-10,582
Depreciation	-50,147	-	-50,147
New provisions and adjustments to previous provisions	-200	-	-200
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-31	-	-31
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>16</u>	<u>-</u>	<u>16</u>
Total accruals to cash adjustments	-60,944	-	-60,944
Excess cash to be CFERd	-	-	-
Net cash requirement	239,220	-2,585	236,635

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	<u>213,222</u>	
Total Net Administration Costs		213,222
Net Programme Costs		
RfR1	<u>53,357</u>	
Total Net Programme costs		53,357
Total Net Operating Cost		266,579
<i>of which:</i>		
Net Resource Outturn		266,579
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		258,005

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	266,579
<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	
Net Operating Costs (Accounts)	266,579
<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	-
Other adjustments: net effect of EYF take up and transfers to other Government departments	-8,574
Resource Budget Outturn (Budget)	258,005
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	258,005
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	31,000
<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	-
Capital Budget Outturn (Budget)	31,000
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	31,000
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Managing Director of the Cabinet Office as Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Cabinet Office is as follows:

Request for Resources 1: Colin Balmer CB, Accounting Officer and Managing Director of the Cabinet Office

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives		
Income from minor occupiers and other accommodation income	3,683	-
Sales of services and goods to other government departments, public bodies and general public	11,381	-
Sponsorship income	-	-
Income relating to Crown copyright work of HMSO	680	-
Income relating to Employment Opportunities Fund	-	-
Income relating to central management costs of pensions schemes	9,100	-
Recovery of costs of Cabinet Office staff and Prime Minister's Office	870	-
Income from the trading and programme activities of Government Car & Despatch Agency	16,001	-
Income from the trading activities of Centre for Management and Policy Studies	24,180	-
Investments (loan repayment by Civil Service Sports Council and London Hostels Association)	-	22
Proceeds from asset disposals	-	150
Other income	500	-
Emergency Planning College receipts for training courses and rent	2,000	-
Recovery of legal costs	-	-
Sale of assets	-	-
Recoveries of costs from other government departments for costs sharing arrangements	6,735	-
Recoveries in respect of Honours and Dignities	7	-
Total RfR1	75,137 *	172 **

*Amount that may be applied as appropriations in aid in addition to the net total, arising from income from minor occupiers of the Department's buildings; sales of services and goods to other government departments, public bodies and general public; administration of Crown copyright by HMSO; sponsorship income; income from the Employment Opportunities Fund; income in respect of central management costs of the Principal Civil Service Pensions Scheme (PCSPS), Civil Service Additional Voluntary Contributions Scheme (CSAVC), and the Federated Superannuation Scheme for Universities (FSSU); refunds from the European Community and receipts in respect of international projects; recovery of costs of staff on loan; recovery from staff for miscellaneous items; recovery of costs incurred by the Prime Minister's Office on official visits; receipts from the trading and programme activities of the Government Car & Despatch Agency and Centre for Management and Policy Studies; profit on disposal of fixed assets; Emergency Planning College receipts for training courses; receipts for rent; recovery of legal costs; recoveries of costs from other government departments for cost sharing arrangements; recoveries in respect of Honours and Dignities; certain other services and transfer payments from HM Treasury for expenditure

**Amount that may be applied as non operating appropriations in aid, arising from repayment of loans by the Civil Service Sports Council and the London Hostels Association; the proceeds from the sale of fixed assets, covering the net book value.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Cabinet Office Departmental Expenditure Limit will change as follows:

	New DEL			£'000
	Change	Voted	Non-voted	Total
Resource	-11,159	258,005	-	258,005
Capital	-	31,000	-	31,000
Depreciation*	-	-50,147	-	-50,147
Total	-11,159	238,858	-	238,858

**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.*

The Administration Cost Limit has been decreased by £2,102 from £219,130 to £217,028.

Cash which may be retained to offset expenditure

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

£'000
75,309

Security and Intelligence Agencies

Introduction

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

RfR 1: Protecting and promoting the national security and economic well being of the UK

Increases:

Take up of End Year Flexibility

1. Administration, Programme and Capital
£10,507,000 Administration, £12,165,000 Programme and £12,061,000 Capital
Section A
For the expansion of capacity and capability of the Security and Intelligence Agencies.

Transfers from Other Government Departments

1. PES transfer from the Foreign and Commonwealth Office
£3,033,000 Programme
Section A
Funding revisions for conflict prevention.
2. PES transfer from the Home Office
£30,000 Programme
Section A
Contribution towards funding a serious crime project
3. PES transfer from the Northern Ireland Office
£15,000 Admin
Section A
To contribute towards administrative funding

Neutral changes

Increased spending offset by income

1. Additional non-operating Appropriations in Aid and Capital
£5,000
Section A
An increase in Capital, which is offset by an increase in non-operating Appropriations in Aid.

Transfers within the RfR

1. Switch of Programme Costs to Administration Costs
£8,265,000 Programme to Administration
Section A
To increase the Administrative Costs Limit.
2. As a result of these changes there is an increase in the net cash requirement of: £37,811,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Protecting and promoting the national security and economic well being of the UK	25,750,000
Total additional net resource requirement	25,750,000
Additional net cash requirement	37,811,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Security and Intelligence Agencies on:

RfR 1: Protecting and promoting the national security and economic well being of the UK administration and operational costs, research and developmental works, equipment and other payments, and associated non-cash items.

The **Cabinet Office** will account for this Estimate.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

RfR 1: Protecting and promoting the national security and

Spending in Departmental Expenditure Limits (DEL)

RfR1 - A	Security and Intelligence Agencies	1,096,300	25,750	-	25,750	1,122,050
	Total RfR1		25,750	-	25,750	

£000

	Present Provision	Change in Provision	New Provision
--	-------------------	---------------------	---------------

Capital and Cash

Total Capital Expenditure	178,326	12,066	190,392
Non-Operating AinA	297	5	302
Net cash requirement	1,087,359	37,811	1,125,170

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: Protecting and promoting the national security and economic well being of the UK	639,483	531,377	-	1,170,860	48,810	1,122,050	190,392	302	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Security and Intelligence Agencies	639,483	531,377	-	1,170,860	48,810	1,122,050	190,392	302	
Total	639,483	531,377	-	1,170,860	48,810	1,122,050	190,392	302	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	1,096,300	25,750	1,122,050
Voted capital items			
Capital expenditure	178,326	12,066	190,392
<i>Less: non-operating AinA</i>	<u>297</u>	<u>5</u>	<u>302</u>
Total net voted capital	178,029	12,061	190,090
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-29,695	-	-29,695
Depreciation	-140,967	-	-140,967
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-28	-	-28
Prior period adjustments	-	-	-
Other non-cash items	-19,543	-	-19,543
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	3,263	-	3,263
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-186,970	-	-186,970
Excess cash to be CFERd	-	-	-
Net cash requirement	1,087,359	37,811	1,125,170

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2004-05 provision
Net Administration Costs		
RfR1	597,284	
Total Net Administration Costs		597,284
Net Programme Costs		
RfR1	524,766	
Total Net Programme costs		524,766
Total Net Operating Cost		1,122,050
<i>of which:</i>		
Net Resource Outturn		1,122,050
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		1,137,500

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	1,122,050
<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	-
Net Operating Costs (Accounts)	1,122,050
<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	15,450
Other adjustments	-
Resource Budget Outturn (Budget)	1,137,500
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	1,137,500
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	190,090
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-28
<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	6,000
Other adjustments	-
Capital Budget Outturn (Budget)	196,062
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	196,062
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Security and Intelligence Co-ordinator and Permanent Secretary of the Cabinet Office, Sir David Omand, as Accounting Officer for the Security and Intelligence Services.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A in A)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: Protecting and promoting the national security and economic well being of the UK		
Sales of services, recoveries etc	48,810	-
Sale of surplus properties	-	302
Total RfR1	48,810 *	302 **

*Amount that may be applied as appropriations in aid to the net total, arising from the sales of services to other government departments, the recovery of costs of staff on loan, recovery from staff for miscellaneous items and certain other services.

**Amounts that may be applied as non-operating appropriations in aid in addition to the net total, arising from the sale of fixed assets and from the sale of freehold interest and land.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Security and Intelligence Agencies Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	25,750	1,122,050	15,450	1,137,500
Capital	12,061	190,062	6,000	196,062
Depreciation*	-	140,967	-	140,967
Total	37,811	1,453,079	21,450	1,474,529

**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.*

The Administration Cost Limit has been increased by £18,787,000 from £584,730,000 to £603,517,000.

Cash which may be retained to offset expenditure

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

£'000
49,112

Office of the Parliamentary Commissioner for Administration and Health Service Commissioner for England

Introduction

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

RfR 1: To undertake the work of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England

Increases:

Other increases

- 1 DEL Reserve Claim
Administration other costs £1,964k
Additional costs arising from the decision, previously announced to Parliament, to undertake a new investigation into the regulation of the Equitable Life, together with investigations into a substantial number of new cases relating to the refusal of full NHS funding for long term care which were expected to have been resolved within the NHS without further Ombudsman intervention. Also to provide contingency to cover significant risks and cost pressures arising from substantial increases in workload, legal costs and costs associated with change and workforce strategy implementation.
- 2 Capital: £350k
To build on the refreshed IT infrastructure, to develop a new capacity for remote working and to provide a new telephone system

Neutral Changes

Decreased Spending offset by income

1. Reduced spending offset by reduced income
gross £459k, net £NIL
(Sections)
Following the appointment of a new Health Service Commissioner for Wales (HSCW) in November 2003, the costs of HSCW staff (who continue to be paid through the OPHSO payroll) were included in the 2004-05 OPHSO Estimate with their recovery being shown as income appropriated in aid. In discussions, it was agreed that this treatment (which had been followed in previous years) was no longer appropriate and that neither the costs nor the income should have been included in the estimate or OPHSO accounts.
2. As a result of the above changes and the utilisation of an additional £306k arising from further provisions for early departure costs reported in the 2003-04 resource accounts, there is an increase in the net cash requirement of: £2,620k
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: To undertake the work of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England	1,964,000
Total additional net resource requirement	1,964,000
Additional net cash requirement	2,620,000

SUPPLEMENTARY amounts required in the year ending 31 March 2005 for expenditure by the Office of the Parliamentary Commissioner for Administration and Health Service Commissioner for England on:

RfR 1: To undertake the work of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England

Administration costs; capital expenditure; providing services to support the Welsh Administration Ombudsman, the Health Service Commissioner for Wales and the Scottish Public Services Ombudsman; and associated non-cash items.

The **Office of the Parliamentary Commissioner for Administration and Health Service Commissioner for England** 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 undertake the work of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England					
Spending in Departmental Expenditure Limits (DEL)					
RfR1 - A Administration	18,130	1,505	-459	1,964	20,094
Total RfR1		1,505	-459	1,964	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	2,000	350	2,350
Non-Operating AinA	-	-	-
Net cash requirement	19,382	2,620	22,002

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 undertake the work of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England	-	20,710	-	20,710	616	20,094	2,350	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration	-	20,710	-	20,710	616	20,094	2,350	-	
Total	-	20,710	-	20,710	616	20,094	2,350	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	18,130	1,964	20,094
Voted capital items			
Capital expenditure	2,000	350	2,350
<i>Less:</i> non-operating A in A	-	-	-
Total net voted capital	2,000	350	2,350
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-60	-	-60
Depreciation	-838	-	-838
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-50	-	-50
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-20	-	-20
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	220	306	526
Total accruals to cash adjustments	-748	306	-442
Excess cash to be CFERd	-	-	-
Net cash requirement	19,382	2,620	22,002

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2004-05 provision
Net Administration Costs	
RfR1	20,094
Total Net Administration Costs	20,094
Net Programme Costs	
RfR1	-
Net non-voted programme costs	150
Total Net Programme costs	150
Total Net Operating Cost	20,244
<i>of which:</i>	
Net Resource Outturn	20,094
CFERs	-
Non-voted expenditure	150
Resource Budget Outturn	20,244

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2004-05 Provision
Net Resource Outturn (Estimates)	20,094
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	150
Consolidated Fund extra receipts (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	20,244
<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	-
Other adjustments	-
Resource Budget Outturn (Budget)	20,244
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	20,244
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2004-05 Provision
Net Voted Capital Outturn (Estimates)	2,350
<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	-
Capital Budget Outturn (Budget)	2,350
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	2,350
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

Appointment as Parliamentary Commissioner for Administration and Health Service Commissioner for England carries with it the duties of Accounting Officer for the Office of the Parliamentary Commissioner for Administration and Health Service Commissioner for England with responsibility for preparing the Office's Estimate.

The allocation of Accounting Officer responsibilities in the Office of the Parliamentary Commissioner for Administration and Health Service Commissioner for England is as follows:

Request for Resources 1: Ms Ann Abraham Parliamentary and Health Service Ombudsman and Accounting Officer and Permanent Head of Office

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of appropriations in aid (A inA)

	£'000	
	2004-05 Provision	
	Operating A in A	Non operating A in A
RfR 1: To undertake the work of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England		
Receipts from the Scottish Public Service Ombudsman	100	-
Receipts from the Welsh Administration Ombudsman	175	-
Receipts from the Health Service Commissioner for Wales	241	-
Receipts from the Commission for Local Administration in England	100	-
Total RfR1	616 *	-

*Amount to be applied as operating appropriations in aid in addition to the net total arising from charges levied on the Welsh Administration Ombudsman, the Health Service Commissioner for Wales, the Scottish Public Services Ombudsman and the Commissioner for Local Administration in England for the provision of ombudsman and support services.

Departmental Expenditure Limits and Administration Costs Limits

As announced to the House of Commons, the Office of the Parliamentary Commissioner for Administration and Health service Commissioner for England Departmental Expenditure Limit will change as follows:

New DEL	£'000			
	Change	Voted	Non-voted	Total
Resource	1,964	20,094	150	20,244
Capital	350	2,350	-	2,350
Depreciation*	-	-838	-	-838
Total	2,314	21,606	150	21,756

**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

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

£'000
616

Published by TSO (The Stationery Office) and available from:

Online

www.tso.co.uk/bookshop

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Fax orders 0870 600 5533

Order through the Parliamentary Hotline Lo-call 0845 7 023474

E-mail book.orders@tso.co.uk

Textphone 0870 240 3701

TSO Shops

123 Kingsway, London WC2B 6PQ

020 7242 6393 Fax 020 7242 6394

68-69 Bull Street, Birmingham B4 6AD

0121 236 9696 Fax 0121 236 9699

9-21 Princess Street, Manchester M60 8AS

0161 834 7201 Fax 0161 833 0634

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

18-19 High Street, Cardiff CF10 1PT

029 2039 5548 Fax 029 2038 4347

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

Fax orders 020 7219 3866

TSO Accredited Agents

(see Yellow Pages)

and through good booksellers

ISBN 0-10-293059-7



9 780102 930597