
Office of Rail Regulation

Introduction

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

RfR 1: To create a better railway for passengers and freight, and better value for public funding

Increases:

Transfer from other government department

£2 million resource expenditure and £4.3 million capital expenditure to be funded through a transfer from DfT to cover the cost of the merger of ORR and the Rail Safety element of the Health and Safety Executive, arising as a result of the Railway Act 2005.

2. As a result of these changes there is an increase in the net cash requirement of £ 6,096,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulation	2,000,000
Total additional net resource requirement	2,000,000
Additional net cash requirement	6,096,000

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Office for Rail Regulation on:

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

Administration, capital expenditure for activities in support of economic, safety and competition regulation and associated non-cash items.

The Office of Rail Regulation will account for this Estimate.

Changes proposed

Resources	£'000				
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulation					
Spending in Departmental Expenditure Limits (DEL)					
<i>Central Government spending</i>					
RfR 1 - A Administration	1	-	-	-	1
B Rail Safety Transition Programme	-	2,000	-	2,000	2,000
Total RfR 1		2,000	-	2,000	
Total Changes to RfRs		2,000	-	2,000	2,000

	£000		
	Present Provision	Change in Provision	New Provision
Capital and Cash			
Total Capital Expenditure	500	4,300	4,800
Non-Operating A in A	-	-	-
Net cash requirement	1	6,096	6,097

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulation								
18,501	-	-	18,501	16,500	2,001	4,800	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration								
16,501	-	-	16,501	16,500	1	500	-	
B Rail Safety Transition								
2,000	-	-	2,000	-	2,000	4,300	-	
Total for Estimate:								
18,501	-	-	18,501	16,500	2,001	4,800	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	1	2,000	2,001
Voted capital items			
Capital expenditure	500	4,300	4,800
<i>Less:</i> non-operating A in A	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	500	4,300	4,800
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-50	-	-50
Depreciation	-600	-	-600
New provisions and adjustments to previous provisions	-25	-	-25
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-35	-	-35
Increase(+)/decrease(-) in stock	-	-	-
Increase(+)/decrease(-) in debtors	-	-	-
Increase(-)/decrease(+) in creditors	-	-	-
Use of provisions	<u>6</u>	<u>-</u>	<u>6</u>
Total accruals to cash adjustments	-704	-	-704
Excess cash to be CFERd	204	-204	-
Net cash requirement	1	6,096	6,097

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2005-06 provision
Net Administration Costs		
RfR 1	2,001	
Total Net Administration Costs		2,001
Net Programme Costs		
RfR 1	-	
Total net programme costs		-
Total Net Operating Cost		2,001
<i>of which:</i>		
Net Resource Outturn		2,001
CFERs		-
Non-voted expenditure		-
Resource Budget Outturn		2,001

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	2,001
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	2,001
<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)	2,001
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	2,001
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	4,800
<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)	4,800
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	4,800
Annually Managed Expenditure (AME)	-

Notes to the Estimate

Explanation of Accounting Officer responsibilities

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

Request for Resources 1 Bill Emery, Office of Rail Regulation

Bill Emery, the Accounting Officer (AO) of the Office for Rail Regulation, has personal responsibility for the proper presentation of the Office for National Statistics' resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO, as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Office for Rail Regulation.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Office for National Statistics' policies, aims and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate

Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non- operating A in A
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulation		
Licence fees	16,500	-
Total RfR 1	16,500 *	- **
<i>of which: Administration budgets</i>	-	-
** Amount that may be applied as appropriations in aid in addition to the net total, arising from: recoveries in respect of the administration of the Office of Rail Regulation including charges for courses, officers loaned to other organisations; income from publications and library service; travel costs recovered from the European community; income from recovery actions in connection with the successful outcome of judicial review; and receipts of licence fees.		
Total A in A	16,500	-

Notes to the Estimate

Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Office of Rail Regulation's Departmental Expenditure Limit (DEL) will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	2,000	2,001	-	2,001
<i>of which :Administration Budget</i>	<i>2,000</i>	<i>2,001</i>	<i>-</i>	<i>2,001</i>
Capital DEL	4,300	4,800	-	4,800
Less depreciation *	-	-600	-	-600
Total DEL	6,300	6,201	-	6,201

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

Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid	16,500