
Assets Recovery Agency

Introduction

1. This Estimate covers the administration, programme and capital costs of the Assets Recovery Agency.
2. The Agency is a Non-Ministerial Department which was set up under the Proceeds of Crime Act 2002. The Agency came into existence on 13 January 2003 and assumes full financial independence from 1 April 2003.
3. The Agency's remit is to reduce crime by:
 - (a) Supporting all Law Enforcement Agencies in financial investigations and asset recovery through the development and provision of specialist training and advice.
 - (b) Investigating cases leading to post-conviction confiscation orders and/or applying for such orders.
 - (c) Enforcing certain confiscation orders.
 - (d) Using a new power of "civil recovery" – suing in the High Court for the recovery of the proceeds of unlawful conduct.
 - (e) Using powers of taxation where the Director has reasonable grounds to suspect that there is income, gains or profits that is chargeable to the relevant tax and which results from criminal conduct. The Director then carries out the tax functions that the Inland Revenue would ordinarily carry out. This is not just limited to the proceeds of unlawful conduct but all the defendant's property.
 - (f) To seek international assistance in obtaining restraint and confiscation.
4. The Director of the Agency is a corporation sole and is appointed by the Home Secretary who also is required to approve the annual plan.
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Helping to reduce crime by recovering the proceeds of crime by criminal and civil proceedings and by taxation.	10,999,000
Total net resource requirement	10,999,000
Net cash requirement	10,774,000

Amounts required in the year ending 31 March 2004 for expenditure by the Assets Recovery Agency on:

RfR 1: Helping to reduce crime by recovering the proceeds of crime by criminal and civil proceedings and by taxation.

Payments and expenses related to investigation, litigation and enforcement of referred cases from law enforcement agencies, expenses for the development and delivery of specialist training courses in financial investigation and other associated asset identification and recovery, expenses related to the administration and management of the service provision and associated non-cash items.

The **Assets Recovery Agency** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	10,999,000	5,000,000	5,999,000
Total net resource requirement	10,999,000	5,000,000	5,999,000
Net cash requirement	10,774,000	5,100,000	5,674,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Helping to reduce crime by recovering the proceeds of crime by criminal and civil proceedings and by taxation									
3,580	7,419	-	10,999	-	10,999	-	-	-	-
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Helping to reduce crime									
3,580	7,419	-	10,999	-	10,999	-	-	-	-
Total for Estimate:									
3,580	7,419	-	10,999	-	10,999	-	-	-	-

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	10,999	-	-
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
Total net voted capital	-	-	-
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2	-	-
Depreciation	-71	-	-
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-34	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	17	-	-
Increase (-) / Decrease (+) in creditors	-135	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	-225	-	-
Excess cash to be CFERd	-	-	-
Net Cash Requirement	10,774	-	-

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	<i>1</i>	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	<i>1</i>	-	-	-	-

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	3,580	-	-	-
Net programme costs:				
RfR 1	7,419	-	-	-
Total net programme costs	<u>7,419</u>	<u>-</u>	<u>-</u>	-
Total Net Operating Cost	10,999	-	-	-
<i>of which:</i>				
Net Resource Outturn	10,999	-	-	-
CFERs	-	-	-	-
Non-voted expenditure	-	-	-	-
Resource Budget Outturn	10,999	-	-	-

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	10,999	-	-
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	-	-	-
<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)	10,999	-	-
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	10,999	-	-
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
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 Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Director, Jane Earl, is 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*.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Proceeds of crime	—	<i>1</i>	—	—	—	—
Total	—	<i>1</i>	—	—	—	—

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits and Administration Costs Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	—	—	—
Net administration costs limits	3,580	—	3,580

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	10,999	—	10,999
Capital DEL	—	—	—
Less depreciation	-71	—	-71
Total DEL	10,928	—	10,928

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
- ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Charity Commission

Introduction

1. This Estimate provides for both the resource and capital costs of the Charity Commission for England and Wales. The Commission is the statutory body that regulates charities. It aims to provide the best possible regulation of charities in England and Wales to increase their effectiveness and public confidence in them. In doing so, the Commission seeks to ensure that charities operate within a framework which enables them to work effectively for their proper purposes, and helps them to modernise and change to meet new demands and keep pace with economic and social developments. The Commission maintains an electronic public register of charities; provides guidance and advice to charities; monitors their activities through their accounts and annual reports; and seeks to identify and investigate any dishonesty or deliberate fraud that may endanger charitable assets.
2. The work of the Commission is governed by statute. The Commissioners are appointed by the Home Secretary, but their role is independent, although their decisions can be challenged in the High Court. Further information on expenditure can be found in tables 1 to 3 of the Charity Commission Departmental Report 2003 (Cm 5909).
3. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Giving the public confidence in the integrity of charity	27,279,000
Total net resource requirement	27,279,000
Net cash requirement	27,759,000

Amounts required in the year ending 31 March 2004 for expenditure by the Charity Commission on:

RfR 1: Giving the public confidence in the integrity of charity

Administration, capital expenditure and associated non-cash items.

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

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	27,279,000	11,603,000	15,676,000
Total net resource requirement	27,279,000	11,603,000	15,676,000
Net cash requirement	27,759,000	11,810,000	15,949,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Giving the public confidence in the integrity of charity									
27,299	-	-	27,299	20	27,279	1,399	-	25,669	22,958
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration									
27,299	-	-	27,299	20	27,279	1,399	-	25,669	22,958
Total for Estimate:									
27,299	-	-	27,299	20	27,279	1,399	-	25,669	22,958

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	27,279	25,669	22,958
Voted capital items			
Capital	1,399	1,909	759
Less Non-operating A-in-A	-	-	-
Total net voted capital	1,399	1,909	759
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-76	-70	-69
Depreciation	-610	-500	-388
New provisions and adjustments to previous provisions	-93	-93	-75
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-140	-120	-94
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-40	-50	-329
Increase (-) / Decrease (+) in creditors	-50	-50	-60
Use of provisions	90	100	165
Total accruals to cash adjustments	-919	-783	-850
Excess cash to be CFERd	-	-	-
Net Cash Requirement	27,759	26,795	22,867

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	243	<i>243</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	243	<i>243</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	27,279	25,669		22,958
Net programme costs:				
RfR 1	-	-	-243	
Total net programme costs	-	-	-243	
Total Net Operating Cost	27,279	25,669		22,715
<i>of which:</i>				
Net Resource Outturn	27,279	25,669		22,958
CFERs	-	-	-243	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	27,279	25,669		22,715

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	27,279	25,669	22,958
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-243
Other adjustments	-	-	-
Net Operating Cost (Accounts)	27,279	25,669	22,715
<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)	27,279	25,669	22,715
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	27,279	25,669	22,715
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	1,399	1,909	759
<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)	1,399	1,909	759
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,399	1,909	759
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chief Commissioner of the Charity Commission as Principal Accounting Officer with overall responsibility for preparing the Commission's Estimate.

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

Request for Resources 1: John Stoker, Principal Accounting Officer and Chief Commissioner

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 Commission'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					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Giving the public confidence in the integrity of charity						
Sales of copies of documents, etc.	20	—	20	—	17	—
Funds remitted by the Foreign and Commonwealth Office in respect of the Departments' joint International Outreach project	—	—	269	—	—	—
Total RfR 1	20*	—	289	—	17	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from sales of copies of documents, etc.

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income from fees not classified as A in Aφ	—	—	—	—	243	243
Total	—	—	—	—	243	243

Notes to the Main Estimate *(continued)*

Administration cost limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	27,299	–20	27,279
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	27,279	—	27,279
Capital DEL	1,399	—	1,399
Less depreciation	–610	—	–610
Total DEL	28,068	—	28,068

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under full Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £27,279,000 is 6.3 per cent higher than the final net provision for 2002-03 of £25,669,000 and 7.7 per cent higher than the forecast outturn for 2002-03 of £25,328,000.

Notes to the Main Estimate *(continued)*

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 that has been or will be appropriated in aid:

	2003-04 provision	2002-03 provision	2001-02 outturn
	20	289	17

Lord Chancellor's Department

Introduction

1. The Estimate covers the cost of the Lord Chancellor's Department HQ and five associated offices (the Council on Tribunals, Law Commission, Legal Services Ombudsman, Official Solicitor and Public Trustee, and the Office of the Judge Advocate General), grant-in-aid paid in support of marriage guidance, conciliation and reconciliation and mediation; administration of the advice and support in certain family matters including those involving children, international parental child abduction and child contact; and payments to the General Commissioners of Income Tax in Great Britain and Northern Ireland.
2. It covers the cost of administration for the Judicial Pensions Scheme Supply Estimate. The full cost of this administration is offset by appropriations in aid received from the Scheme.
3. It covers the cost of the Court Service, including fees and salaries paid to some judicial officers and the court building programme. The agency provides administrative support to the Court of Appeal, the High Court, the Crown Court and the county courts of England and Wales and the tribunals for which the Lord Chancellor is responsible (the Banking and Building Societies Appeals Tribunal, Immigration Appellate Authorities, Lands Tribunal, Pension Appeal Tribunal, the Office of Social Security Commissioners, the Special Commissioners of Income Tax, the Value Added Tax Tribunal and the Financial Services and Markets Tribunal). Expenditure on the civil courts is largely offset by fees which are shown as appropriations in aid.
4. It covers the administration of private monies through the Public Guardianship Office. The full cost of the Public Guardianship Office including the cost of services provided by LCD HQ, is largely offset by fees and costs recovered.
5. It covers grants to the Criminal Defence Service and Community Legal Service, including the administrative grant-in-aid paid to the Legal Services Commission. The Commission administers civil legal aid, means assessment, advice and assistance schemes and pays criminal legal aid bills in the magistrates' courts.
6. It covers the grant-in-aid paid to the Children and Family Court Advisory and Support Service for safeguarding and promoting the welfare of the children, giving advice to any court about any application made to it, making provision for the children to be represented and providing information, advice and other support for the children and their families.
7. It covers the grant-in-aid paid to the Office of the Information Commissioner for promoting good information handling and the development of codes of practice, assessing compliance with the Data Protection Act 1998 and the Freedom of Information Act 2000.
8. It covers grant paid to the Legal Services Commission in relation to provision for the cost of acquitted defendants, private prosecution costs and witnesses' allowances payable from central funds and specific grants towards the costs of magistrates' courts, which are largely paid in advance of final audited claims.
9. Further details of the expenditure contained in Section A to O can be found in the Lord Chancellor's Departments' Departmental Report (Cm 5910).
10. The salaries of the higher judiciary and stipendiary magistrates are met direct from the Consolidated Fund. This expenditure is estimated at £96 million for 2003-04.
11. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: To promote the development of a modern, fair, cost effective and efficient system of justice for all	2,847,306,000
Total net resource requirement	2,847,306,000
Net cash requirement	2,735,121,000

Amounts required in the year ending 31 March 2004 for expenditure by the Lord Chancellor's Department on:

RfR 1: To promote the development of a modern, fair, cost effective and efficient system of justice for all

HQ and Associated Offices; administration of the Judicial Pensions Scheme; marriage and relationship support; conciliation and mediation; advice and support in certain family matters, including those involving children, international parental child abduction and child contact; the Court Service; the Public Guardianship Office; Legal Aid in criminal cases; Criminal Defence Service; Community Legal Service; administration for Legal Services Commission; administration for The Children and Family Court Advisory and Support Service; administration for the Office of the Information Commissioner; costs paid from central funds; the magistrates; courts; other legal services; associated non-cash items; and for joint initiatives in the Criminal Justice System.

The **Lord Chancellor's Department** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	2,847,306,000	1,201,532,000	1,645,774,000
Total net resource requirement	2,847,306,000	1,201,532,000	1,645,774,000
Net cash requirement	2,735,121,000	1,133,758,000	1,601,363,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: To promote the development of a modern, fair, cost effective and efficient system of justice for all									
752,223	233,562	2,294,042	3,279,827	432,521	2,847,306	36,100	-	3,091,104	2,789,340
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Headquarters and Associated Offices									
147,394	3,140	75	150,609	9,077	141,532	2,700	-	165,155	135,482
B Judicial Pensions Administration									
500	-	-	500	500	-	-	-	-	-
C Court Service									
582,141	228,032	-	810,173	346,034	464,139	19,500	-	450,607	375,453
D Public Guardianship Office									
22,188	1,700	-	23,888	17,322	6,566	-	-	15,574	16,214
E HM Land Registry Invest to Save Budget									
-	690	-	690	-	690	-	-	1,439	98
F HM Land Registry Capital Modernisation Fund									
-	-	-	-	-	-	13,900	-	-	-
<i>Costs from central funds</i>									
-	-	-	-	-	-	-	-	52,555	44,755
<i>Criminal Defence Service</i>									
-	-	-	-	-	-	-	-	1,141,880	927,863
-	-	-	-	-	-	-	-	781,600	789,518
Support for Local Authorities									
G Magistrates Courts Grants									
-	-	312,729	312,729	59,588	253,141	-	-	260,822	301,227

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
H	Magistrates Courts Capital Grant								
-	-	45,427	45,427	-	45,427	-	-	38,025	34,302
I	Magistrates Courts Grant on Loan Charges								
-	-	16,500	16,500	-	16,500	-	-	16,500	16,326
Non-budget									
J	Legal Services Commission: Administration								
-	-	84,000	84,000	-	84,000	-	-	73,725	67,213
K	Criminal Defence Service								
-	-	1,122,637	1,122,637	-	1,122,637	-	-	-	-
L	Community Legal Service								
-	-	560,374	560,374	-	560,374	-	-	-	-
M	Costs from Central Funds								
-	-	45,000	45,000	-	45,000	-	-	-	-
N	Children and Family Courts Advisory And Support Service (CAFCASS)								
-	-	97,500	97,500	-	97,500	-	-	80,596	71,611
O	Office of the Information Commissioner								
-	-	9,800	9,800	-	9,800	-	-	12,626	9,278
Total for Estimate:									
752,223	233,562	2,294,042	3,279,827	432,521	2,847,306	36,100	-	3,091,104	2,789,340

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	2,847,306	3,091,104	2,789,340
Voted capital items			
Capital	36,100	49,907	30,349
Less Non-operating A-in-A	-	1,010	255
Total net voted capital	<u>36,100</u>	<u>48,897</u>	<u>30,094</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-74,355	-23,823	-34,757
Depreciation	-60,326	-53,587	-42,331
New provisions and adjustments to previous provisions	-	-69,417	-50,920
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-9	-	-23
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-11,552	11,274	-2,486
Increase (-) / Decrease (+) in creditors	-2,043	-10,876	6,473
Use of provisions	-	-	-
Total accruals to cash adjustments	<u>-148,285</u>	<u>-146,429</u>	<u>-124,044</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	2,735,121	2,993,572	2,695,390

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	181,051	<i>181,051</i>	186,458	<i>186,458</i>	237,353	<i>237,353</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	<u>181,051</u>	<u><i>181,051</i></u>	<u>186,458</u>	<u><i>186,458</i></u>	<u>237,353</u>	<u><i>237,353</i></u>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	738,553	777,067		675,493
Net programme costs:				
RfR 1	2,108,753	2,314,037	2,113,847	
Net non-voted programme costs	122,853	92,865	171,739	
Total net programme costs	2,231,606	2,406,902		2,285,586
Total Net Operating Cost	2,970,159	3,183,969		2,961,079
<i>of which:</i>				
Net Resource Outturn	2,847,306	3,091,104		2,789,340
CFERs	-	-		-
Non-voted expenditure	122,853	92,865		171,739
Resource Budget Outturn	2,962,364	3,147,771		2,929,234

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	2,847,306	3,091,104	2,789,340
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	122,853	92,865	171,739
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	2,970,159	3,183,969	2,961,079
<i>Adjustments to remove:</i>			
capital grants to local authorities	-45,427	-38,025	-34,302
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	15,748	1,827	2,457
unallocated resource provision	21,884	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	2,962,364	3,147,771	2,929,234
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,962,364	3,147,771	2,929,234
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	36,100	48,897	30,094
<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	16	590	10,785
capital grants to local authorities	45,427	38,025	34,302
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	11,000	10,802	7,800
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	92,543	98,314	82,981
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	92,543	98,314	82,981
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Lord Chancellor's Department, Sir Hayden Phillips, 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*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: To promote the development of a modern, fair, cost effective and efficient system of justice for all						
Administration income	13,670	—	13,749	—	10,396	—
Other Current income	418,851	—	404,360	—	361,617	—
Sale of fixed assets	—	—	—	1,010	—	255
Total RfR1	432,521*	—	418,109	1,010	372,013	255

*Amount that may be applied as appropriations in aid in addition to the net total, arising from civil court fees; fees charged by the Public Trustee and the Court of Protection; recoveries from the National Investment and Loans Office for the cost of administering funds in court; recovery from the investment managers for the cost of administering the Commons Investment Schemes; recoveries for research and recommendation work undertaken by the Law Commission; recoveries by the Official Solicitor pursuant to his duties under the Supreme Court Act 1981 and Public Trustee Act 1906; fees charged by the Lands Tribunal, recoveries from the National Insurance Fund for the cost of Social Security Commissioners; fees from the Land Registry; fees relating to the Office of the Information Commissioner; fees from nursery facilities and other fees; charges and receipts received; sale of publications; reimbursements from the ARAMIS PFI supplier of the costs of seconded staff and banking charges; receipts from rents; service charges and site usage; recovery for magistrates' courts accommodation; the disposal of land, buildings and surplus equipment, contributions paid by legally aided defendants in the higher courts; receipts of VAT refunds on contracted out services, judicial superannuation contributions, receipts from the European Commission; receipts from the Financial Services and Markets Tribunal; receipts under the New Deal Scheme; receipts from Wider Markets Initiatives; receipts from Royal Licences; receipts from the Judicial Pensions Supply Estimate to fund administrative costs; and receipts from the Legal Services Commission for service provision; magistrates courts income from netting-off schemes.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts (CFERs)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Magistrates Courts ●	181,051	<i>181,051</i>	186,458	<i>186,458</i>	237,353	<i>237,353</i>
Total	181,051	<i>181,051</i>	186,458	<i>186,458</i>	237,353	<i>237,353</i>

Notes to the Main Estimate *(continued)*

Administration Costs Limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	774,107	–13,670	760,437
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	882,568	2,079,796	2,962,364
Capital DEL	81,527	11,016	92,543
Less depreciation	–60,326	–2,632	–62,958
Total DEL	903,769	2,088,180	2,991,949

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
- ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £2,847,306,000 is 7.9 per cent lower than the final net provision and the forecast outturn for 2002-03 of £3,091,104,000.

Notes to the Main Estimate (continued)**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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	368,739	419,119	372,268

Lord Chancellor's Department: Judicial Pensions Scheme†

Introduction

1. The Estimate covers the payment of pensions and other benefits to persons covered by the Judicial Pensions Scheme (JPS). Further details of the expenditure contained in this Estimate can be found in the Lord Chancellor's Departments' Departmental Report (Cm 5910).
2. Provision is made within this Estimate for
 - (a) interest costs arising on the accruing costs of all judicial pensions,
 - (b) the present value of the future pension liability, including pensions increases, for currently serving members of the judiciary who are salaried from departmental estimates, and
 - (c) the present value of the future liability for pension increases of currently serving members of the judiciary whose base pensions will be met directly from the Consolidated Fund.
3. The Scheme's Appointing Bodies meet the costs of pension cover for their office holders by payments of set charges on an accruals basis. These charges, along with Scheme members' contributions are appropriated in aid on this Estimate.
4. As a consequence of adopting Financial Reporting Standard ("FRS") 17 'Retirement Benefits', the Resource Accounts of pension schemes administered by central government will, from 2003-04, include on their balance sheets the liability to meet future pension costs. They will also account for the accruing cost of providing pensions rather than just the benefits payable and contributions receivable. While the format of the Resource Accounts is largely unaltered, the way in which resource expenditure is measured is fundamentally changed. Such changes are reflected in this Estimate.

(i) Request for Resources

In 2001-02 and 2002-03, Request for Resources provided for the amounts to be paid and payable in respect of retirement benefits, net of contributions. In consequence, there was generally little difference between the Estimates provision for Resources and for the Net Cash Requirement. From 2003-04 the Estimate provision for resource expenditure is instead the cost of benefits accruing in the year. The most significant of these are the build-up of benefit entitlements from currently serving scheme members service during the year and the interest cost arising because future benefit payments are one year closer to settlement. Income from contributions continues to be appropriated in aid of expenditure.

(ii) Net Cash Requirement

The elements of the Net Cash Requirement are unaltered but are accounted for differently. Most significantly, the payment of pensions and lump sums that were previously the cash consequences of resource expenditure, are now the use of the balance sheet provision for pensions.

(iii) Consequences of the change

There may now be a significant difference between the resource costs and cash requirements of retirement benefits. There is no necessary relationship between the pension benefits accruing in any particular year and the pension benefits paid in that year. For 2003-04 there is a significant additional difference. An accounting adjustment of £52,344,000 is needed in 2003-04 in respect of the two previous years for which Parliament voted resources on the 'old' basis. The adjustment seeks Parliamentary authority for the additional resource expenditure in those years that is recognised by virtue of the change in accounting.

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

† In the Vote on Account, the Estimate was titled 'Lord Chancellor's Department: Judicial Pension Schemes'.

Part I

	£
Request for Resources 1: Judicial pensions scheme	62,830,000
Total net resource requirement	62,830,000
Net cash requirement	1,000

Amounts required in the year ending 31 March 2004 for expenditure by the Lord Chancellor's Department on:

RfR 1: Judicial pensions scheme:

Pensions etc, in respect of members of judicial pensions scheme, and for other related services.

The **Lord Chancellor's Department** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	62,830,000	47,393,000	15,437,000
Total net resource requirement	62,830,000	47,393,000	15,437,000
Net cash requirement	1,000	—	1,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Judicial Pensions Scheme									
-	139,463	-	139,463	76,633	62,830	-	-	66,621	62,744
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Judicial Pensions Scheme									
-	87,119	-	87,119	76,633	10,486	-	-	66,621	62,744
Non-budget									
B Judicial Pensions Scheme									
-	52,344	-	52,344	-	52,344	-	-	-	-
Total for Estimate:									
-	139,463	-	139,463	76,633	62,830	-	-	66,621	62,744

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	62,830	66,621	62,744
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
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	-87,119	-80,821	-76,023
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-52,344	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	20,614	14,200	13,279
Total accruals to cash adjustments	-118,849	-66,621	-62,744
Excess cash to be CFERd	56,020	1	1
Net Cash Requirement	1	1	1

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>56,020</i>	-	<i>1</i>	-	<i>1</i>
Total	-	<i>56,020</i>	-	<i>1</i>	-	<i>1</i>

Forecast Combined Revenue Account

£'000

	Notes	2003-04 provision	Indicative 2002-03 provision	Indicative 2001-02 outturn
Contributions receivable	4			
CF-paid Judiciary ASLCs	1	44,601		
Non CF-paid Judiciary ASLCs	1	26,276		
CF-paid Judiciary employee contributions	2	3,756		
Non CF-paid Judiciary employee contributions	3	2,000		
		76,633		
Transfers in		—		
Other income receivable		—		
		76,633	14,200	13,279
Less pension costs	5			
Current Service costs CF-paid Judiciary		36,881	35,179	33,477
Current Service Costs CF-paid Judiciary pension increases		4,686	4,470	4,253
Current Service costs Non CF-paid Judiciary		23,433	22,351	21,270
Interest on Scheme liabilities: CF-paid Judiciary		33,477	30,640	28,654
Interest on Scheme liabilities: CF-paid Judiciary pension increases		4,253	3,893	3,641
Interest on Scheme liabilities: Non CF-paid Judiciary		21,270	19,467	18,205
		124,000	116,000	109,500
Total Net Outgoings for the year		47,367	101,800	96,221
<i>of which:</i>				
Net Resource Outturn		62,830	66,621	62,744
CFERs		—	—	—
Non-voted expenditure		36,881	35,179	33,477
<i>Less</i>				
prior period adjustment (non-budget)		–52,344	—	—
Resource Budget Outturn		47,367	101,800	96,221

1 From 2003-04 Appointing bodies will pay an accrued superannuation liability charge (ASLC) rate of 29% of the total pensionable pay of their Judicial Office Holders. In prior years no ASLCs were paid by Appointing Bodies in respect of most judicial salaries.

2 In prior years, employee contributions for the Judiciary paid from the Consolidated Fund were not brought to account on any Departmental Estimate. From 2003-04 these are to be appropriated in aid within the JPS Estimate.

3 In prior years, the Non-Consolidated Fund paid Judiciary employee contributions were appropriated in aid on the Civil Superannuation Vote of the Cabinet Office. From 2003-04 these contributions are to be appropriated in aid within the JPS Estimate.

4 The Indicative contributions receivable for the years 2002-03 and 2001-02 are based on the actual pension benefits paid out of the Civil Superannuation Vote for Non-Consolidated Fund paid judiciary during these years.

5 The indicative Pension costs are based on the Government Actuary Department's assessment of the JPS accrued liability costs as at 31 March 2002 and 31 March 2003 respectively.

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Resource Outturn (Estimates)	62,830	66,621	66,744
<i>Adjustments to remove:</i>			
provision voted for earlier years	-52,344	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	36,881	35,179	33,477
Consolidated Fund Extra Receipts in the OCS	—	—	—
Other adjustments	—	—	—
Net Operating Cost (Accounts)	47,367	101,800	96,221
<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)	47,367	101,800	96,221
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	47,367	101,800	96,221

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
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 Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Lord Chancellor's Department, Sir Hayden Phillips, as Accounting Officer of the Judicial Pensions Scheme with responsibility for preparing the Scheme'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 Scheme's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate (*continued*)

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Judicial pensions scheme						
Accruing superannuation liability charges	70,877	—	—	—	—	—
Office Holders' pension contributions	5,756	—	14,200	—	13,279	—
Total RfR 1	76,633*	—	14,200	—	13,279	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from accruing superannuation liability charges (ASLCs); and Office Holders' pension contributions.

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash receipts Δ	—	56,020	—	1	—	1
Total	—	56,020	—	1	—	1

Notes to the Main Estimate (*continued*)

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £62,830,000 is 5.7 per cent lower than the indicative provision and forecast outturn for 2002-03 of £66,621,000. This decrease is due to the full application of ASLCs from 1 April 2003. ASLCs will be paid by Government Departments with Judicial Office Holders into the Judicial Pension Scheme and treated as appropriations in aid.

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 which has or will be appropriated in aid.

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
	76,633	14,200	13,729

Northern Ireland Court Service

Introduction

1. This Estimate provides for the cost of administering the courts in Northern Ireland, including salaries of staff, construction and maintenance of courthouses, provision of office accommodation and general administrative expenditure. Provision is also made for the cost of jurors and stenographers in the higher courts.
2. The Estimate also provides for the administrative costs of the Pensions Appeals Tribunal, Office of the Social Security and Child Support Commissioners, the Office of the Commissioner for Judicial Appointments in Northern Ireland, the Fixed Penalty Office and payments to the Civil Superannuation Estimate and the Judicial Pensions Scheme Estimate.
3. The Estimate covers grant paid in respect of civil and criminal legal aid and advice and assistance. Recoveries of costs and other monies on behalf of assisted persons are netted against the gross provision.
4. The Legal Aid Fund is currently administered by the Law Society of Northern Ireland which also acts as agent for the Northern Ireland Court Service in making payments in respect of criminal legal aid, being funded on the monthly basis of estimated expenditure. The civil fund is audited by auditors appointed by the Lord Chancellor. The Comptroller and Auditor General who also has the right to audit the fund, examines the annual statement of accounts and, after certification, lays a copy of it together with his report before Parliament.
5. Responsibility for the administration of publicly funded legal services will be transferred to the Northern Ireland Legal Services Commission during the 2003-04 financial year.
6. Direct expenditure from the Consolidated Fund on the salaries and Social Security costs of the Judiciary in Northern Ireland is estimated at £5,166,000 in 2003-04.
7. Further information can be found in the Lord Chancellor's Departments' Departmental Report (Cm 5910).
8. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Supporting the effective and efficient administration of justice in Northern Ireland†	94,540,000
Total net resource requirement	94,540,000
Net cash requirement	89,365,000

Amounts required in the year ending 31 March 2004 for expenditure by the Northern Ireland Court Service on:

RfR 1: Supporting the effective and efficient administration of justice in Northern Ireland:

Operation of the courts; policy and legislation; accommodation services; grants to sundry bodies and associated non-cash items, grant of funding for the provision of publicly funded legal services and grant in aid to support the administration of the governing body.

The **Northern Ireland Court Service** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	94,540,000	42,946,000 †	51,594,000
Total net resource requirement	94,540,000	42,946,000	51,594,000
Net cash requirement	89,365,000	39,615,000	49,750,000

†In the Vote on Account there were two RfRs for the Northern Ireland Court Service – RfR 2 has been subsumed into RfR 1.

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Supporting the effective and efficient administration of justice in Northern Ireland									
20,005	83,344	2,133	105,482	10,942	94,540	6,000	-	97,764	77,717
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Court and other legal services									
20,005	42,564	25	62,594	10,942	51,652	6,000	-	46,209	31,679
B Publicly funded legal services									
-	40,780	2,108	42,888	-	42,888	-	-	51,555	46,038
Total for Estimate:									
20,005	83,344	2,133	105,482	10,942	94,540	6,000	-	97,764	77,717

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	94,540	97,764	77,717
Voted capital items			
Capital	6,000	9,056	9,901
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>6,000</u>	<u>9,056</u>	<u>9,901</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-5,075	-4,375	-4,037
Depreciation	-6,100	-5,900	-3,957
New provisions and adjustments to previous provisions	-	-	-1,054
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-84
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	<u>-11,175</u>	<u>-10,275</u>	<u>-9,132</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	<u>89,365</u>	<u>96,545</u>	<u>78,486</u>

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	5,500	<i>5,500</i>	9,000	<i>9,000</i>	5,500	<i>5,500</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	<u>5,500</u>	<u><i>5,500</i></u>	<u>9,000</u>	<u><i>9,000</i></u>	<u>5,500</u>	<u><i>5,500</i></u>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	9,063	7,620		6,841
Net programme costs:				
RfR 1	85,477	90,144	70,876	
Net non-voted programme costs	5,166	5,437	5,269	
Total net programme costs	90,643	95,581		76,145
Total Net Operating Cost	99,706	103,201		82,986
<i>of which:</i>				
Net Resource Outturn	94,540	97,764		77,717
CFERs	-	-		-
Non-voted expenditure	5,166	5,437		5,269
Resource Budget Outturn	99,706	103,201		82,986

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	94,540	97,764	77,717
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	5,166	5,437	5,269
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	99,706	103,201	82,986
<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)	99,706	103,201	82,986
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	99,706	103,201	82,986
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	6,000	9,056	9,901
<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)	6,000	9,056	9,901
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	6,000	9,056	9,901
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director of the Northern Ireland Court Service, Mr David A. Lavery, as Accounting Officer for the Department 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*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Supporting the effective and efficient administration of justice in Northern Ireland						
Income from fees	10,642	—	10,642	—	12,142	—
Miscellaneous income	300	—	300	—	300	—
Total RfR 1	10,942*	—	10,942	—	12,442	—

*Amount that may be applied as appropriations in aid to the net total arising from court fees paid by litigants in civil proceedings, administration fees paid in respect of funds in court, recoveries from the National Insurance Fund for the costs of the Office of the Social Security Commissioners, and other fees and receipts received.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Fines ●	5,150	5,150	5,150	5,150	5,150	5,150
Interest payments ●	100	100	100	100	100	100
Miscellaneous ●	250	250	250	250	250	250
Civil fee income φ	—	—	3,500	3,500	—	—
Total	5,500	5,500	9,000	9,000	5,500	5,500

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	20,005	-10,942	9,063
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	94,540	5,166	99,706
Capital DEL	6,000	—	6,000
Less depreciation	-6,100	—	-6,100
Total DEL	94,440	5,166	99,606

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £94,540,000 is 3.3 per cent lower than the final provision and the forecast outturn for 2002-03 of £97,764,000.

Notes to the Main Estimate *(continued)*

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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	10,942	10,942	12,442

Gifts

The Northern Ireland Court Service is committed to the Business in the Community Initiative. As part of this commitment a gift of £2,000 is to be made for the purchase of reading materials for schools participating in the Time to Read programme.

Grants in aid

£'000

Law Society of Northern Ireland ♦	2,108
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The National Archives: Public Record Office and Historical Manuscripts Commission[†]

Introduction

1. This Estimate covers the cost of the administration of the public records system of the United Kingdom under the Public Records Acts of 1958 and 1967 and the promotion of the highest standards of care and public access for archives of historical value outside the public records.

2. For detail of the expenditure contained in this Estimate, refer to section 10 of the Lord Chancellor's Departments' Departmental Report (Cm 5910).

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

[†] In the Vote on Account, the Estimate was titled 'Public Record Office'.

Part I

	£
Request for Resources 1: Promoting the study of the past to inform the present and the future by selecting, preserving and making publicly available public records of historical value and by encouraging high standards of care and public access for archives of historical value outside the public records†	35,743,000
Total net resource requirement	35,743,000
Net cash requirement	29,384,000

Amounts required in the year ending 31 March 2004 for expenditure by the National Archives: Public Record Office and Historical Manuscripts Commission on:

RfR1: Promoting the study of the past to inform the present and the future by selecting, preserving and making publicly available public records of historical value and by encouraging high standards of care and public access for archives of historical value outside the public records†

Payments for expenditure by the Public Record Office and Historical Manuscripts Commission on administration and operational associated non-cash costs.

The National Archives: Public Record Office and Historical Manuscripts Commission will account for this Estimate

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	35,743,000	16,558,000	19,185,000
Total net resource requirement	35,743,000	16,558,000	19,185,000
Net cash requirement	29,384,000	12,784,000	16,600,000

† In the Vote on Account, RfR 1 was described as ‘Assisting and Promoting the study of the past in order to inform the present and the future.’

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Promoting the study of the past in order to inform the present and future by selecting, preserving and making publicly available public records of historical value and by encouraging high standards of care and public access for archives of historical value outside the public records									
37,343	-	-	37,343	1,600	35,743	3,315	-	37,916	29,880
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Public Record Office									
36,187	-	-	36,187	1,600	34,587	3,300	-	36,721	28,651
B Historical Manuscripts Commission									
1,156	-	-	1,156	-	1,156	15	-	1,195	1,229
Total for Estimate:									
37,343	-	-	37,343	1,600	35,743	3,315	-	37,916	29,880

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	35,743	37,916	29,880
Voted capital items			
Capital	3,315	3,523	1,338
Less Non-operating A-in-A	-	-	-
Total net voted capital	3,315	3,523	1,338
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-3,405	-4,401	-3,223
Depreciation	-6,099	-4,791	-4,039
New provisions and adjustments to previous provisions	-110	-110	-114
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-60	-60	-121
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	177
Increase (-) / Decrease (+) in creditors	-	500	-
Use of provisions	-	-	-
Total accruals to cash adjustments	-9,674	-8,862	-7,320
Excess cash to be CFERd	-	-	-
Net Cash Requirement	29,384	32,577	23,898

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2003-04. None were received in 2002-03 or 2001-02.

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	35,743	37,916	29,880	
Net programme costs:				
RfR 1	-	-	-	
Total net programme costs	-	-	-	
Total Net Operating Cost	35,743	37,916	29,880	
<i>of which:</i>				
Net Resource Outturn	35,743	37,916	29,880	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	35,743	37,916	29,880	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	35,743	37,916	29,880
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	35,743	37,916	29,880
<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)	35,743	37,916	29,880
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	35,743	37,916	29,880
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	3,315	3,523	1,338
<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)	3,315	3,523	1,338
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,315	3,523	1,338
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed Mrs Sarah Tyacke, who is the Permanent Head of the Public Record Office and the sole Historical Manuscripts Commissioner, 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*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04		2002-03		2001-02	
	Operating	Non-	Operating	Non-	Operating	Non-
A in A	operating	A in A	operating	A in A	operating	operating
	A in A	A in A	A in A	A in A	A in A	A in A
RfR 1: Promoting the study of the past in order to inform the present and future by selecting, preserving and making publicly available public records of historical value and by encouraging high standards of care and public access for archives of historical value outside the public records						
Sale of copies of documents publications and other items and services; professional fees; sale of fixed assets; and grants received to carry out specific projects	1,600	—	3,600	—	4,517	—
Total RfR 1	1,600*	—	3,600	—	4,517	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from charges for the sale of copies of documents; sale of publications and other items and services; professional fees; sale of fixed assets and grants received to carry out specific projects.

Notes to the Main Estimate *(continued)*

Administration cost limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	37,343	–1,600	35,743
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	35,743	—	35,743
Capital DEL	3,315	—	3,315
Less depreciation	–6,099	—	–6,099
Total DEL	32,959	—	32,959

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £35,743,000 is 5.7 per cent lower than the final provision for 2002-03 of £37,916,000 and 2.4 per cent higher than the forecast outturn of that year of £34,916,000.

Notes to the Main Estimate *(continued)***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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	1,600	3,600	4,517

The Crown Prosecution Service

Introduction

1. This Estimate covers the resource and cash requirement of the Crown Prosecution Service.
2. It covers the Administrative costs, capital costs and operational costs incurred by the Crown Prosecution Service in England and Wales.
3. Further details are contained in the Law Officers Departmental Report 2003 (Cm 5911).
4. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Increasing public confidence in the criminal justice system through fair, firm and effective prosecutions	428,294,000
Total net resource requirement	428,294,000
Net cash requirement	433,344,000

Amounts required in the year ending 31 March 2004 for expenditure by the Crown Prosecution Service on:

RfR 1: Increasing public confidence in the criminal justice system through fair, firm and effective prosecutions

Administrative costs, including the hire of private agents; Crown Prosecution Services; the support of voluntary sector organisations working within the Criminal Justice System; in connection with the confiscation of the proceeds of crime; and associated non-cash items.

The **Crown Prosecution Service** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	428,294,000	198,799,000	229,495,000
Total net resource requirement	428,294,000	198,799,000	229,495,000
Net cash requirement	433,344,000	196,471,000	236,873,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Increasing public confidence in the criminal justice system through fair, firm and effective prosecutions									
326,857	132,387	-	459,244	30,950	428,294	10,800	-	467,279	404,363
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration Costs									
326,857	-	-	326,857	1,650	325,207	10,800	-	356,592	320,654
B Crown Prosecutions and Legal Services									
-	132,387	-	132,387	29,300	103,087	-	-	110,687	83,709
Total for Estimate:									
326,857	132,387	-	459,244	30,950	428,294	10,800	-	467,279	404,363

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	428,294	467,279	404,363
Voted capital items			
Capital	10,800	12,000	21,043
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>10,800</u>	<u>12,000</u>	<u>21,043</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,296	-2,643	-795
Depreciation	-3,356	-11,911	-29,763
New provisions and adjustments to previous provisions	-1,182	-	-6,258
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-89	-86	-61
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-500	-500	-1,310
Use of provisions	<u>1,673</u>	<u>1,893</u>	<u>1,442</u>
Total accruals to cash adjustments	-5,750	-13,247	-36,745
Excess cash to be CFERd	-	-	-
Net Cash Requirement	433,344	466,032	388,661

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	1,304	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	1,304	-

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	325,207	356,592		320,158
Net programme costs:				
RfR 1	103,087	110,687	82,901	
Total net programme costs	<u>103,087</u>	<u>110,687</u>	<u>82,901</u>	
Total Net Operating Cost	428,294	467,279		403,059
<i>of which:</i>				
Net Resource Outturn	428,294	467,279		404,363
CFERs	-	-		-1,304
Non-voted expenditure	-	-		-
Resource Budget Outturn	435,294	476,479		403,059

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	428,294	467,279	404,363
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-1,304
Other adjustments	-	-	-
Net Operating Cost (Accounts)	428,294	467,279	403,059
<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	7,000	9,200	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	435,294	476,479	403,059
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	435,294	476,479	403,059
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	10,800	12,000	21,043
<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)	10,800	12,000	21,043
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	10,800	12,000	21,043
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director of Public Prosecutions as Accounting Officer for the Crown Prosecution Service with overall responsibility for preparing the Department's Estimate.

In addition the Treasury has appointed an additional Accounting Officer who is accountable to the Director of Public Prosecutions for all matters concerning the management of the Crown Prosecution Service. This appointment does not detract from the Head of Department's overall responsibility as Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of Accounting Officer responsibilities in the Crown Prosecution Service is as follows:

Request for Resources 1	Sir David Calvert-Smith QC, Principal Accounting Officer and Permanent Head of Department
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	Mr Richard Foster, Additional Accounting Officer and Chief Executive of the Department
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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 Crown Prosecution Service's Principal Accounting Officer and Additional Accounting Officer, together with their respective responsibilities is set out in writing.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Increasing public confidence in the criminal justice system through fair, firm and effective prosecutions						
Income from rent in jointly occupied buildings and contract car contributions	1,650	—	1,650	—	1,650	—
Costs awarded to CPS in court	29,300	—	29,300	—	29,300	—
Costs awarded to CPS by recovered assets fund	—	—	85	—	—	—
Total RfR 1	30,950*	—	31,035	—	30,950	—

*Amount that may be applied as appropriations in aid in addition to the net total arising from the recovery of costs from private tenants in jointly occupied buildings, leased cars and costs awarded to the CPS in court.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess costs awards ●	—	—	—	—	808	—
Excess rent receipts ●	—	—	—	—	196	—
Miscellaneous ●	—	—	—	—	300	—
Total	—	—	—	—	1,304	—

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	326,857	-1,650	325,207
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	428,294	7,000	435,294
Capital DEL	10,800	—	10,800
Less depreciation	-3,356	—	-3,356
Total DEL	435,738	7,000	442,738

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £428,294,000 is 8.3 per cent lower than the final net provision for 2002-03 of £467,279,000 and 2.4 per cent lower than the forecast outturn of that year of £438,799,000.

Notes to the Main Estimate (continued)
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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	25,650	25,735	25,650

Serious Fraud Office

Introduction

1. This Estimate covers the administration costs, capital costs and operational costs incurred by the Serious Fraud Office. Included are the costs for SFO staff, fees to counsel and outside accountants, witness expenses, use of information technology to improve the presentation of evidence, other investigation and prosecution costs and defendants' costs orders by the court to be paid by the SFO.
2. Further details of the expenditure of the SFO can be found in Chapter 2 of the Law Officers' Departments' Departmental Report 2003 (Cm 5911).
3. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law	23,410,000
Total net resource requirement	23,410,000
Net cash requirement	24,400,000

Amounts required in the year ending 31 March 2004 for expenditure by the Serious Fraud Office on:

RfR1: Reducing fraud and the cost of fraud and delivering justice and the rule of law

Administration, investigation, prosecution and associated non-cash items.

The **Serious Fraud Office** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	23,410,000	9,788,000	13,622,000
Total net resource requirement	23,410,000	9,788,000	13,622,000
Net cash requirement	24,400,000	10,058,000	14,342,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law									
16,235	7,195	-	23,430	20	23,410	600	-	28,771	23,059
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration									
16,235	75	-	16,310	-	16,310	600	-	17,531	15,288
B Investigations and Prosecutions									
-	7,120	-	7,120	20	7,100	-	-	11,240	7,771
Total for Estimate:									
16,235	7,195	-	23,430	20	23,410	600	-	28,771	23,059

Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
Net Total Resources		23,410		28,771		23,059
Voted capital items						
Capital		600		600		256
Less Non-operating A-in-A		-		-		-
Total net voted capital		<u>600</u>		<u>600</u>		<u>256</u>
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges		15		29		38
Depreciation		-200		-150		-178
New provisions and adjustments to previous provisions		-		-		25
Profit/loss on sale of assets		-		-		-
Prior period adjustments		-		-		-
Other non-cash items		-55		-50		-55
Increase (+) / Decrease (-) in stock		-		-		-
Increase (+) / Decrease (-) in debtors		300		65		-111
Increase (-) / Decrease (+) in creditors		300		60		-910
Use of provisions		<u>30</u>		<u>25</u>		<u>54</u>
Total accruals to cash adjustments		390		-21		-1,137
Excess cash to be CFERd		-		-		-
Net Cash Requirement		24,400		29,350		22,178

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	29	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	29	-

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	16,235	17,481	15,193	
Net programme costs:				
RfR 1	7,175	11,290	7,837	
Total net programme costs	<u>7,175</u>	<u>11,290</u>	<u>7,837</u>	
Total Net Operating Cost	23,410	28,771	23,030	
<i>of which:</i>				
Net Resource Outturn	23,410	28,771	23,059	
CFERs	-	-	-29	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	23,410	28,771	23,030	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	23,410	28,771	23,059
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-29
Other adjustments	-	-	-
Net Operating Cost (Accounts)	23,410	28,771	23,030
<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)	23,410	28,771	23,030
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	23,410	28,771	23,030
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	600	600	256
<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)	600	600	256
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	600	600	256
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director of the Serious Fraud Office, Robert Wardel, 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*.

Notes to the Main Estimate (continued)

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Reducing fraud and the cost of fraud and delivering justice and the rule of law						
Costs awarded to SFO	20	—	20	—	19	—
Total RfR 1	20*	—	20	—	19	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income arising from costs awarded to the Serious Fraud Office by the Courts.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Miscellaneous ϕ	—	—	—	—	29	—
Total	—	—	—	—	29	—

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	16,235	—	16,235
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	23,410	—	23,410
Capital DEL	600	—	600
Less depreciation	–200	—	–200
Total DEL	23,810	—	23,810

- * i. *Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review*
 ii. *Excludes EU receipts included in Estimates, but excluded in Budgets*

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £23,410,000 is 18.6 per cent lower than the final provision and forecast outturn for 2002-03 of £28,771,000.

Notes to the Main Estimate *(continued)*
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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	20	20	19

HM Procurator General and Treasury Solicitor

Introduction

1. This Estimate provides for the administrative costs of the Treasury Solicitor's Department Agency within DEL (Section A) and other expenditure of the Treasury Solicitor's Department Agency (Section B) which includes capital DEL expenditure. Section C covers the administration costs of the Legal Secretariat to the Law Officers including the salaries of two Ministers of the Crown. Section D covers the operational costs of the Treasury Solicitor's Department Agency as explained in paragraph 3. Section E covers the costs of HM Crown Prosecution Service Inspectorate. Further details of the Department's administration costs are provided in Chapter 3 of the 2003 Departmental Report of the Law Officer's Departments (Cm 5911).

2. The Treasury Solicitor's Department, which became an Agency on 1 April 1996, has operated a system of full repayment of the majority of its legal services since 1990-91. The greater part of its administrative costs are now met by receipts. Since 1999-2000, the Treasury Solicitor's Department Agency has operated under net operating cost control, to allow it the flexibility to respond to an increasing demand for its services. A small section of the Agency's work, which is directly related to European matters or considered to be in the public interest, remains centrally funded.

3. The Estimate also covers the operational costs of the Treasury Solicitor's Department Agency (Section D). Operational costs arise on the provision of legal services to government departments. Except for those associated with centrally funded services, these costs are fully recovered from client departments as disbursements on legal cases. The principal areas of this expenditure are adverse costs, counsel fees, expert witnesses and solicitors agents. Further details of the Department's operational costs are provided in Chapter 3 of Cm 5911.

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

Part I

	£
Request for Resources 1: Providing comprehensive and competitive legal services to government departments and publicly funded bodies	13,093,000
Total net resource requirement	13,093,000
Net cash requirement	13,877,000

Amounts required in the year ending 31 March 2004 for expenditure by HM Procurator General and Treasury Solicitor, The Treasury Solicitor's Department Agency, the Legal Secretariat to the Law Officers and HM Crown Prosecution Service Inspectorate on:

RfR 1: Providing comprehensive and competitive legal services to government departments and publicly funded bodies

Administration, costs and fees for legal and related services, residual matters following the closure of the Government Property Lawyers Agency and associated non-cash items.

The **Solicitor to the Treasury** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	13,093,000	6,544,000	6,549,000
Total net resource requirement	13,093,000	6,544,000	6,549,000
Net cash requirement	13,877,000	6,663,000	7,214,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Providing comprehensive & competitive legal services to government departments & publicly funded bodies									
45,592	40,817	-	86,409	73,316	13,093	3,200	-	13,339	10,127
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A TSD Administration									
38,410	885	-	39,295	36,113	3,182	-	-	3,735	1,801
B TSD Other									
-	-	-	-	-	-	3,170	-	-	-
C LSLO Administration									
3,321	22	-	3,343	-	3,343	30	-	3,208	2,712
D Operational Costs									
-	39,900	-	39,900	37,203	2,697	-	-	2,697	2,609
E CPSI Administration									
3,861	10	-	3,871	-	3,871	-	-	3,699	3,005
Total for Estimate:									
45,592	40,817	-	86,409	73,316	13,093	3,200	-	13,339	10,127

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	13,093	13,339	10,127
Voted capital items			
Capital	3,200	4,650	1,189
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>3,200</u>	<u>4,650</u>	<u>1,189</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-1,982	-1,686	-959
Depreciation	-917	-917	-1,013
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-100	-100	-267
Increase (+) / Decrease (-) in stock	-1,000	-1,000	-7,852
Increase (+) / Decrease (-) in debtors	500	-500	2,109
Increase (-) / Decrease (+) in creditors	1,020	1,020	5,358
Use of provisions	<u>63</u>	<u>247</u>	<u>70</u>
Total accruals to cash adjustments	<u>-2,416</u>	<u>-2,936</u>	<u>-2,554</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	<u>13,877</u>	<u>15,053</u>	<u>8,762</u>

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2003-04. None were received in 2002-03 or 2001-02.

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	9,479	9,725		6,505
Net programme costs:				
RfR 1	3,614	3,614	3,622	
Total net programme costs	<u>3,614</u>	<u>3,614</u>	<u>3,622</u>	3,622
Total Net Operating Cost	13,093	13,339		10,127
<i>of which:</i>				
Net Resource Outturn	13,093	13,339		10,127
CFERs	-	-		-
Non-voted expenditure	-	-		-
Resource Budget Outturn	13,093	13,339		10,127

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	13,093	13,339	10,127
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	13,093	13,339	10,127
<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)	13,093	13,339	10,127
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	13,093	13,339	10,127
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	3,200	4,650	1,189
<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)	3,200	4,650	1,189
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,200	4,650	1,189
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the HM Procurator General and Treasury Solicitor, Juliet Wheldon, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate. An additional Accounting Officer, Stephen Wooler, has been appointed for HM Crown Prosecution Service Inspectorate (HMCPSI), which became part of this estimate on 1 April 2001.

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*. In the case of the HMCPSI, these responsibilities are delegated to an Additional Accounting Officer (the Chief Inspector) by means of a Framework Document, which sets out his relationship with the Principal Accounting Officer and his responsibilities of HMCPSI's element of the Estimate.

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Providing comprehensive and competitive legal services to government departments and publicly funded bodies						
Income from time charges, Crown Nominee Accounts in respect of Bona Vacantia and other miscellaneous income (eg tenant income and photocopying charges)	36,113	—	35,336	—	29,923	—
Income from disbursement charges	37,203	—	35,303	—	23,839	—
Total	73,316*	—	70,369	—	53,762	—

*Amount that may be applied as appropriations-in-aid arise from legal and administrative services provided, charges for bona vacantia work, recovery of costs for tenants in jointly occupied buildings and European Fast Streamers.

Administration cost limits and Departmental Expenditure Limits

	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	—	—	—
Net administration costs limits	45,665	-36,113	9,542

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	13,093	—	13,093
Capital DEL	3,200	—	3,200
Less depreciation	-917	—	-917
Total DEL	15,376	—	15,376

- * i. *Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review*
- ii. *Excludes EU receipts included in Estimates, but excluded in Budgets*

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £13,093,000 is 1.8 per cent lower than the final provision for 2002-03 of £13,339,000 and 1.9 per cent lower than the forecast outturn for 2002-03 of £13,344,000.

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 that has been or will be appropriated in aid

2003-04 provision	2002-03 provision	2001-02 outturn
73,316	70,369	53,762

Ministry of Defence

Introduction

Request for Resources 1: Provision of Defence Capability

1. RfR 1 Provides for expenditure primarily to meet the Ministry of Defence's (MOD) operational, support and logistics services costs and the costs of providing the equipment capability required by defence policy. It reflects the way in which the Department manages its expenditure. Each of the eleven Top Level Budget (TLB) Holders included in this RfR has been allocated an individual RfR section (A to K) consistent with expenditure and income for which the TLB holder is responsible and accountable within the Department. Information on the responsibilities of each TLB holder and the type of expenditure they incur is contained in the Government's Expenditure Plans 2003-04 to 2005-06 Ministry of Defence (Cm 5912). Section L provides for expenditure on applied strategic research.
2. Dividend and interest payments received from the Department's Trading Funds will be appropriated in aid.
3. Sections V to AC includes £0.511 million in respect of the VAT paid by the Commonwealth War Graves Commission for UK expenditure; £3.536 million in respect of payments and interest charges under the Armed Forces (Housing Loan) Acts, and £16.487 million in respect of capital loan repayments and interest charges payable on various on-Balance Sheet PFI contracts. All of these sums are included in Non Budget expenditure.
4. Some advances made periodically for the UK share of costs of collaborative projects will be charged to the RfR at the time of issue and the MOD will be provided with periodic statements of actual expenditure incurred.

Request for Resources 2: Conflict Prevention

5. This RfR provides for the consumption of such resources as are agreed by the Conflict Prevention sub-committee in support of activity in the following regions:
 - (a) expenditure in support of government endorsed activity in Sub-Saharan Africa;
 - (b) expenditure in support of government endorsed activity in the Rest of the World;

Request for Resources 3: War Pensions and Allowances, etc

6. This RfR provides for the payment of war disablement and war widows' pensions in accordance with relevant legislation.
7. Costs of administering War Pensions are borne on Provision of Defence Capability, RfR 1.
8. Supporting information relating to expenditure contained in this Estimate is included in the Government's Expenditure Plans 2003–04 to 2005–06, Ministry of Defence (Cm 5912).
9. The Ministry of Defence is responsible for administering the funding for this Estimate.
10. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Provision of Defence Capability	32,820,786,000
Request for Resources 2: Conflict Prevention	36,700,000
Request for Resources 3: War Pensions and Allowances, etc[†]	1,158,005,000
Total net resource requirement	34,015,491,000
Net cash requirement	27,541,964,000

Amounts required in the year ending 31 March 2004 for expenditure by the Ministry of Defence on:

RfR 1: Provision of Defence Capability

Personnel costs of the armed forces and their reserves and cadet forces and personnel costs of Defence Ministers and of civilian staff employed by the Ministry of Defence; movements; charter of ships; logistic services for the Armed Forces; repair, maintenance, stores and supply services; associated capital facilities and works; contractors' redundancy cost; plant and machinery; nuclear warhead and fissile material programme; procurement, including development and production of equipment and weapon systems for the armed forces; purchases for sale abroad; research etc by contract; sundry procurement services including those on repayment terms; lands and buildings works services; contingent liabilities; services provided by other Government departments; sundry services, subscriptions, grants and other payments including those abroad such as assistance to Foreign and Commonwealth Governments for defence related purposes; set-up cost and loans to, and income from, Trading Funds; and other associated non-cash items.

RfR 2: Conflict Prevention

Conflict prevention, early warning, crisis management, conflict resolution/peacemaking, peacekeeping and peace-building activity and on associated strengthening of international and regional systems and capacity; and other associated non-cash items.

RfR 3: War Pensions and Allowances, etc

Pensions and other payments/allowances for disablement or death arising out of war or service in the Armed Forces after 2nd September 1939, awards to surviving members of British groups held prisoner by the Japanese during the Second World War (Far Eastern prisoners of war) or their surviving spouse and pensions and other payments in respect of service in the Armed Forces at other times; and other associated non-cash items.

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

Part I (continued)

	Net total	Allocated in Vote on Account	Balance to complete/surrender
	£	£	£
RfR 1	32,820,786,000	14,079,516,000	18,741,270,000
RfR 2	36,700,000	153,513,000	-116,813,000 ^{††}
RfR 3	1,158,005,000	534,024,000	623,981,000
Total net resource requirement	34,015,491,000	14,767,053,000	19,248,438,000
Net cash requirement	27,541,964,000	11,741,367,000	15,800,597,000

[†] In the Vote on Account RfR 3 was described as 'War Pensions Benefit Programme'

^{††} As figures fluctuate significantly in-year due to changes in demand for military involvement in Conflict Prevention activities, this year MoD will be asking Parliament to vote on more accurate figures in Supplementary Estimates.

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Provision of Defence Capability									
-	33,901,574	139,406	34,040,980	1,220,194	32,820,786	6,358,735	233,185	42,195,983	31,825,977
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Commander-in-Chief Fleet									
-	3,594,228	-	3,594,228	17,272	3,576,956	37,245	3	5,863,220	3,636,056
B General Officer Commanding (Northern Ireland)									
-	648,334	-	648,334	1,199	647,135	36,190	890	765,891	614,237
C Commander-in-Chief Land Command									
-	5,339,990	-	5,339,990	187,933	5,152,057	169,413	-	5,651,602	4,945,023
D Commander-in-Chief Strike Command									
-	3,953,344	-	3,953,344	23,356	3,929,988	55,633	-	5,108,198	4,128,258
E Chief of Joint Operations									
-	528,935	-	528,935	25,937	502,998	38,385	292	541,170	460,503
F Chief of Defence Logistics									
-	8,543,800	5,584	8,549,384	302,220	8,247,164	1,183,854	35,563	11,965,071	8,964,801
G 2nd Sea Lord/Commander-in-Chief Naval Home Command									
-	735,235	-	735,235	41,300	693,935	9,053	3	723,588	683,527
H Adjutant General (Personnel and Training Command)									
-	1,703,979	-	1,703,979	23,395	1,680,584	43,923	-	1,781,318	1,684,084
I Commander-in-Chief Personnel and Training Command									
-	1,159,655	-	1,159,655	141,214	1,018,441	22,329	114	1,098,239	927,225
J Central									
-	2,705,131	124,273	2,829,404	441,214	2,388,190	145,558	183,893	2,884,256	2,608,882

Part II: Subhead detail *(continued)*

£'000

2003-04						2002-03 Provision	2001-02 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
K	Defence Procurement Agency									
-	2,065,874	-	2,065,874	12,471	2,053,403	4,617,152	-	3,393,081	2,709,593	
L	Major Customers' Research Budget									
-	449,189	-	449,189	-	449,189	-	-	416,840	414,153	
M	Loans and Grants to and Repayments from the Hydrographic Office									
-	-	-	-	-	-	-	303	-	-	
N	Loans and Grants to and Repayments from DSTL									
-	-	-	-	-	-	-	2,130	-	-	
O	Loans and Grants to and Repayments from DARA									
-	-	-	-	-	-	-	4,840	-	-	
P	Loans and Grants to and Repayments from ABRO									
-	-	-	-	-	-	-	5,154	-	-	
Spending in Annually Managed Expenditure (AME)										
<i>Central Government spending</i>										
Q	Commander-in-Chief Fleet									
-	81,176	-	81,176	-	81,176	-	-	-	-	
R	Chief of Defence Logistics									
-	246,455	-	246,455	-	246,455	-	-	224,000	-	
S	Chief of Joint Operations									
-	-3,230	-	-3,230	-	-3,230	-	-	-	-	
T	Central									
-	10,240	-	10,240	2,683	7,557	-	-	124,020	35,680	
U	Defence Procurement Agency									
-	-85,018	-	-85,018	-	-85,018	-	-	1,640,000	-	
Non-budget										

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
V	Commander-in-Chief Fleet								
-	214	-	214	-	214	-	-	-	-
	<i>Commander-in-Chief Land Command</i>								
-	-	-	-	-	-	-	-	-	-982
W	Commander-in-Chief Strike Command								
-	385	-	385	-	385	-	-	-	-
X	2nd Sea Lord/Commander-in-Chief Naval Home Command								
-	652	-	652	-	652	-	-	-	-
Y	Adjutant General (Personnel and Training Command)								
-	-240	9,038	8,798	-	8,798	-	-	8,531	8,998
Z	Commander-in-Chief Personnel and Training Command								
-	-1,545	-	-1,545	-	-1,545	-	-	-	2,676
AA	Central								
-	33,590	511	34,101	-	34,101	-	-	7,208	3,263
AB	Chief of Defence Logistics								
-	4,173	-	4,173	-	4,173	-	-	-250	-
AC	Defence Procurement Agency								
-	2,187,028	-	2,187,028	-	2,187,028	-	-	-	-
	RfR 2: Conflict Prevention								
-	36,700	-	36,700	-	36,700	-	-	1,155,834	530,016
	Spending in Departmental Expenditure Limits (DEL)								
	<i>Central Government spending</i>								
A	Programme Sub-Saharan Africa								
-	17,200	-	17,200	-	17,200	-	-	19,501	38,350

Part II: Subhead detail *(continued)*

£'000

2003-04						2002-03 Provision	2001-02 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
B	Programme Rest of the World									
-	19,500	-	19,500	-	19,500	-	-	24,545	14,838	
C	Peace Keeping Sub-Saharan Africa									
-	-	-	-	-	-	-	-	-	2,772	
D	Peace Keeping Rest of the World									
-	-	-	-	-	-	-	-	1,111,788	474,056	
RfR 3: War Pensions and Allowances, etc										
-	-	1,158,005	1,158,005	-	1,158,005	-	-	1,186,720	1,237,535	
Spending in Annually Managed Expenditure (AME)										
<i>Central Government spending</i>										
A	War Pensions Benefits Programme costs									
-	-	1,147,990	1,147,990	-	1,147,990	-	-	1,185,505	1,196,334	
B	War Pensions Benefits Programme costs - Far Eastern Prisoners of War									
-	-	10,000	10,000	-	10,000	-	-	1,200	41,191	
C	War Pensions Benefits Programme costs - British Limbless Ex-Servicemen's Association (BLESMA)									
-	-	15	15	-	15	-	-	15	10	
Total for Estimate:										
-	33,938,274	1,297,411	35,235,685	1,220,194	34,015,491	6,358,735	233,185	44,538,537	33,593,528	

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	34,015,491	44,538,537	33,593,528
Voted capital items			
Capital	6,358,735	6,775,188	6,308,353
Less Non-operating A-in-A	233,185	538,743	390,647
Total net voted capital	6,125,550	6,236,445	5,917,706
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,676,403	-5,330,141	-5,210,764
Depreciation	-7,537,887	-15,377,867	-7,471,814
New provisions and adjustments to previous provisions	-2,929,273	-2,498,579	-772,088
Profit/loss on sale of assets	-	59,073	39,158
Prior period adjustments	-	-	-
Other non-cash items	-5,000	-5,000	-4,170
Increase (+) / Decrease (-) in stock	-150,190	-431,037	-298,681
Increase (+) / Decrease (-) in debtors	315,814	606,849	228,360
Increase (-) / Decrease (+) in creditors	-99,868	101,387	-136,581
Use of provisions	483,730	411,837	286,024
Total accruals to cash adjustments	-12,599,077	-22,463,478	-13,340,556
Excess cash to be CFERd	-	-	-
Net Cash Requirement	27,541,964	28,311,504	26,170,678

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	17,746	<i>17,746</i>	79,542	<i>79,542</i>	72,788	<i>72,788</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	17,746	<i>17,746</i>	79,542	<i>79,542</i>	72,788	<i>72,788</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	-	-	-	
RfR 2	-	-	-	
RfR 3	-	-	-	
Total Net Administration costs	-	-	-	-
Net Programme Costs				
RfR 1	32,803,040	42,116,441	31,753,189	
RfR 2	36,700	1,155,834	530,016	
RfR 3	1,158,005	1,186,720	1,237,535	
Total Net Programme costs	33,997,745	44,458,995	33,520,740	
Total Net Operating Cost	33,997,745	44,458,995	33,520,740	
<i>of which:</i>				
Net Resource Outturn	34,015,491	44,538,537	33,593,528	
CFERs	-17,746	-79,542	-72,788	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	31,902,932	44,551,492	33,605,940	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	34,015,491	44,538,537	33,593,528
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-17,746	-79,542	-72,788
Other adjustments	-	-	-
Net Operating Cost (Accounts)	33,997,745	44,458,995	33,520,740
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	250	-
voted expenditure outside the budget	-2,224,768	-7,208	-5,497
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	17,746	79,542	72,788
resource consumption of non departmental public bodies	12,209	19,913	17,909
unallocated resource provision	100,000	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	31,902,932	44,551,492	33,605,940
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	30,751,882	41,376,752	32,332,725
Annually Managed Expenditure (AME)	1,151,050	3,174,740	1,273,215

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	6,125,550	6,236,445	5,917,706
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	59,073	39,158
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	2,250	432	252
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	-	-	-1,344
Capital Budget Outturn (Budget)	6,127,800	6,295,950	5,955,772
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	6,127,800	6,347,950	5,848,190
Annually Managed Expenditure (AME)	-	-52,000	107,582

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Ministry of Defence, Sir Kevin Tebbit, 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*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Provision for Defence Capability						
Income from supplies and services	884,114	—	1,186,739	—	952,010	—
Loan and rental income	227,724	—	228,880	—	48,510	—
Interest received	19,055	—	105,190	—	16,761	—
Other income	89,301	—	175,140	—	176,377	—
Income from sale of fixed assets	—	220,758	—	492,095	—	338,746
Loan repayments from trading funds	—	12,427	—	46,648	—	51,901
Total RfR 1	1,220,194*	233,185**	1,695,949	538,743	1,193,658	390,647
Total A in A	1,220,194*	233,185**	1,695,949	538,743	1,193,658	390,647

*Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income from fees and income from charges.

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

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Accrued interest on bank balances and short term bank deposits, receipts relating to accrued interest on advances held by an agency of a foreign Government for contractual purposes and receipts arising from sales of certain assets etc	17,746	17,746	79,542	79,542	72,788	72,788
Total	17,746	17,746	79,542	79,542	72,788	72,788

Notes to the Main Estimate *(continued)*

Administration cost limits and Departmental Expenditure Limits

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	30,376,740	375,142	30,751,882
Capital DEL	6,125,550	2,250	6,127,800
Less depreciation	–7,537,887	–100,000	–7,637,887
Total DEL	28,964,403	277,392	29,241,795

- * i. *Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review*
- ii. *Excludes EU receipts included in Estimates, but excluded in Budgets*

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £34,015,491,000 is 23.6 per cent lower than the final net provision for 2002-03 of £44,538,537,000, and is 23.6 per cent lower than the forecast outturn for 2002-03 of £44,522,537,000

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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	1,220,194	1,695,949	1,193,658

Notes to the Main Estimate *(continued)*

Expenditure resting on the sole authority of the Appropriation Act

The following RfRs contain provision sought under the sole authority of Part I of the Estimate and of the Confirming Appropriation Act:

RfR 1	£'000
Section G: Royal Navy and Royal Marine Sports Control Board ■	111
Section G: The Scott Polar Institute ■	35
Section H: Army Sports Control Board ■	350
Section I: RAF Sports Control Board ■	81
Section J: The Royal British Legion ■	314
 RfR 3	
Section C: Cost of awards to surviving members of British groups held prisoner by the Japanese during the Second World War (Far Eastern prisoners of war) or their surviving spouse ■.	10,000

Grants in aid

Grants in aid above £1million included in this Estimates RfR 1 are:

	£ million
Section G – Naval and maritime museums ♥	2.105
Section H – National Army Museum ♥	3.920
Section H – Royal Hospital Chelsea ♥	9.038
Section I – Royal Air Force Museum ♥	6.208
Section J – Commonwealth War Graves Commission ♦	26.510

International Subscriptions

	£ million
International Subscriptions above £1million included in RfR 1, Section J, are:	
UK Contribution to the Comprehensive Test Ban Treaty verification scheme	3.367
European Meteorological Satellite Programme	14.612
NATO Military Budgets	54.406
NATO infrastructure projects	50.466
WEU Satellite	1.612
NATO Maintenance and Supply Agency (NAMSA)	2.559

Gifts

For financial year 2003-04 a sum of £37,000 has been allocated to the offices of Ministers and certain senior staff to present gifts to overseas, or UK based, non-government dignitaries from whom they receive, or to whom they make, visits.

Staff Benefits

For financial year 2003-04, TLB holders have delegated authority to make Special Bonus payments to civilian staff, to either an individual or to a team, in recognition of exceptional performance, in a one-off task/situation, or for achievement of a significant personal development activity. Awards will not exceed £2,000 per person, and will not in total exceed 0.4% of the civilian paybill for the TLB. TLB holders are also able to authorise non-cash awards, which include such items as retail outlet or theatre ticket vouchers. Individual awards will not exceed £50, and nor will they in total exceed 0.1% of the civilian paybill for the TLB.

Armed Forces Retired Pay, Pensions etc

Introduction

1. This Estimate provides for the payment of retired pay, pensions and lump sum benefits to persons covered by the Armed Forces Pensions Scheme (AFPS), the rules for which are set out in the Royal Navy Orders in Council, the Army Pensions Warrant and the Queen's Regulations for the Royal Air Force. Provision is also made for:

(a) expenditure and receipts on transfer payments for personnel transferring outside the Armed Forces;

(b) income from transfer payments and purchase of added years, etc, and the increases payable in accordance with the Annual Review Orders;

(c) payment of those benefits outside the AFPS. Such benefits include short service gratuities, resettlement grants, and pensions for locally engaged personnel;

(d) the accruing superannuation liability charges (ASLC) receipts for armed forces personnel. The related expenditure is borne on the Ministry of Defence Estimate, Provision of Defence Capability (RfR 1.)

(e) this Estimate also provides for the payment of injury benefits to adult instructors of the cadet forces.

2. The Ministry of Defence is responsible for administering the AFPS; the related staff and other costs are borne on the Ministry of Defence Estimate, Provision of Defence Capability (RfR 1.)

3. Supporting information relating to expenditure contained in this Estimate is included in "The Government's Expenditure Plans 2003-04 to 2005-06, Ministry of Defence (Cm 5912)".

4. As a consequence of adopting Financial Reporting Standard 17 'Retirement Benefits', the Resource Accounts of pension schemes administered by central government will, from 2003-04, include on their balance sheets the liability to meet future pension costs. They will also account for the accruing cost of providing pensions rather than just the benefits payable and contributions receivable. While their format is largely unaltered, the way in which resource expenditure is measured is fundamentally changed. Such changes are reflected in this Estimate.

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

Part I

	£
Request for Resources 1: Armed forces retired pay, pensions etc	7,112,490,000
Total net resource requirement	7,112,490,000
Net cash requirement	1,422,241,000

Amounts required in the year ending 31 March 2004 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.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	7,112,490,000	5,941,545,000	1,170,945,000
Total net resource requirement	7,112,490,000	5,941,545,000	1,170,945,000
Net cash requirement	1,422,241,000	635,830,000	786,411,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Armed Forces Retired Pay, Pensions etc									
-	8,283,557	11,182	8,294,739	1,182,249	7,112,490	-	-	3,277,232	3,209,122
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Retired Pay, Pensions and other payments to Service Personnel and their dependants									
-	4,564,819	11,182	4,576,001	1,182,249	3,393,752	-	-	3,277,232	3,209,122
Non-budget									
B Retired Pay, Pensions and other payments to Service Personnel and their dependants									
-	3,718,738	-	3,718,738	-	3,718,738	-	-	-	-
Total for Estimate:									
-	8,283,557	11,182	8,294,739	1,182,249	7,112,490	-	-	3,277,232	3,209,122

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	7,112,490	3,277,232	3,209,122
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
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	-4,564,819	-4,413,114	-4,210,626
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-3,718,738	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	2,780	4,906	1,472
Increase (-) / Decrease (+) in creditors	9,393	10,526	29
Use of provisions	2,581,135	2,499,406	2,404,939
Total accruals to cash adjustments	-5,690,249	-1,898,276	-1,804,186
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,422,241	1,378,956	1,404,936

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	372	<i>372</i>	84,043	<i>84,043</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	372	<i>372</i>	84,043	<i>84,043</i>

Forecast Combined Revenue Account

£'000

	Provision 2003-2004	Provision 2002-2003	Outturn 2001-2002
Contributions Receivable			
Employers Contribution	-1,177,710	-1,142,172	-1,010,407
Employee contributions - normal	—	—	—
Employee contributions - purchase of added years	-1,343	-1,243	-1,188
Group and Individual Transfers in	-2,816	-3,286	-2,059
Other Income	-380	-311	-346
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)	—	-372	-84,043
	-1,182,249	-1,147,384	-1,098,043
Expenditure			
Increase in Liability due to Employee added years and transfers in and other income	4,539	4,840	3,593
Current Service costs	1,177,710	1,142,544	1,094,450
Past Service Costs	—	—	—
Interest on Scheme Liability	3,382,570	3,265,730	3,112,583
Other pensions expenditure not charged to provision	11,182	11,130	12,496
Benefits payable (incl Transfers out)	2,581,135	2,499,406	2,404,939
Release of Provision in line with payments	-2,581,135	-2,499,406	-2,404,939
	4,576,001	4,424,244	4,223,122
Net Outgoings	3,393,752	3,276,860	3,125,079
Net Operating Costs	3,393,752	3,276,860	3,125,079
<i>of which:</i>			
Net Resource Outturn	7,112,490	3,277,232	3,209,122
<i>less</i>			
Prior period adjustments	-3,718,738	—	—
<i>plus</i>			
CFERs	—	-372	-84,043
Not voted	—	—	—
Resource Budget Outturn	3,393,752	3,277,232	3,209,122

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Resource Outturn (Estimates)	7,112,490	3,277,232	3,209,122
<i>Adjustments to remove:</i>			
provision voted for earlier years	-3,718,738	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	—	—	—
Consolidated Fund Extra Receipts in the OCS	—	-372	-84,043
Other adjustments	—	—	—
Net Operating Cost (Accounts)	3,393,752	3,276,860	3,125,079
<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	—	372	84,043
resource consumption of non departmental public bodies	—	—	—
unallocated resource provision	—	—	—
Other adjustments	—	—	—
Resource Budget Outturn (Budget)	3,393,752	3,277,232	3,209,122
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	3,393,752	3,277,232	3,209,122

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
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 Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Ministry of Defence, Mr 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*.

Notes to the Main Estimate (*continued*)

Analysis of Appropriations in aid

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Armed Forces Retired Pay, Pensions etc						
Contributions receivable	1,177,710	—	1,109,304	—	1,012,329	—
Transfers In	2,816	—	2,277	—	1,554	—
Other Income	1,723	—	1,431	—	117	—
Total	1,182,249*	—	1,113,012	—	1,014,000	—

*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.

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess Appropriations in Aid	—	—	372	372	84,043	84,043
Total	—	—	372	372	84,043	84,043

Notes to the Main Estimate (*continued*)

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £7,112,490,000 is 117 per cent higher than the final provision and forecast outturn for 2002-03 of £3,277,232,000. Excluding the prior period adjustment, net resources sought for 2003-04 of £3,393,752,000 are 3.6 per cent higher than the forecast outturn for 2002-03.

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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	1,182,249	1,113,012	1,014,000

Foreign and Commonwealth Office

Introduction

1. This Estimate covers the cost of running the Foreign and Commonwealth Office including British Trade International, subscriptions to international organisations, conflict prevention and peacekeeping, the FCO's subscriptions to the BBC World Service Monitoring Service and the other FCO programmes and grants including gifts of equipment and services mainly in Africa, Asia, the Caribbean, Eastern Europe, Latin America and the overseas territories; the Government's grants in aid to the BBC in respect of the World Service for broadcasting, the FCO's contribution towards the expenses of the British Council; and on associated non-cash items. The Estimate also provides for the refund of certain UK taxes and duties paid by certain Foreign and Commonwealth governments and international organisations. A detailed breakdown of expenditure in Sections A to F is included in the Foreign and Commonwealth Office's Departmental Report (Cm 5913) Appendix A.

2. Symbols are explained in the Introduction to this booklet

Part I

	£
Request for Resources 1: Promoting internationally the interests of the UK and contributing to a strong world community	1,394,391,000
Request for Resources 2: Conflict prevention	221,735,000
Total net resource requirement	1,616,126,000
Net cash requirement	1,495,326,000

Amounts required in the year ending 31 March 2004 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.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	1,394,391,000	570,026,000	824,365,000
RfR 2	221,735,000	110,765,000	110,970,000
Total net resource requirement	1,616,126,000	680,791,000	935,335,000
Net cash requirement	1,495,326,000	650,623,000	844,703,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
RfR 1: Promoting internationally the interests of the UK and contributing to a strong world community									
958,872	272,624	326,479	1,557,975	163,584	1,394,391	96,304	45,015	1,358,922	1,251,374
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration international organisations programmes and BBC Monitoring subscriptions									
797,603	65,514	129,440	992,557	163,584	828,973	96,304	45,015	781,708	762,840
B BBC World Service Broadcasting grant in aid									
-	188,429	-	188,429	-	188,429	-	-	200,767	170,932
<i>Peacekeeping</i>									
-	-	-	-	-	-	-	-	-	-
C Accruals consequences of DEL programmes: administration									
161,269	681	-	161,950	-	161,950	-	-	204,534	140,251
D BBC World Service - Capital grant									
-	-	31,000	31,000	-	31,000	-	-	-	16,945
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
<i>Pension transfer</i>									
-	-	-	-	-	-	-	-	252	-
Non-budget									
E Reimbursement of certain duties taxes and licence fees									
-	18,000	-	18,000	-	18,000	-	-	18,000	15,421

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
F	British Council grant in aid									
-	-	166,039	166,039	-	166,039	-	-	153,661	144,985	
	RfR 2: Conflict prevention									
-	-	221,735	221,735	-	221,735	-	-	265,482	185,513	
	Spending in Departmental Expenditure Limits (DEL)									
	<i>Central Government spending</i>									
A	Sub - Saharan Africa - Programme expenditure									
-	-	3,440	3,440	-	3,440	-	-	3,768	1,448	
B	Global - Programme expenditure									
-	-	26,000	26,000	-	26,000	-	-	31,477	14,503	
C	Sub - Saharan Africa - Peacekeeping									
-	-	83,507	83,507	-	83,507	-	-	99,124	75,538	
D	Global - Peacekeeping									
-	-	108,788	108,788	-	108,788	-	-	131,113	94,024	
Total for Estimate:										
958,872	272,624	548,214	1,779,710	163,584	1,616,126	96,304	45,015	1,624,404	1,436,887	

Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
Net Total Resources		1,616,126		1,624,404		1,436,887
Voted capital items						
Capital		96,304		92,361		95,565
Less Non-operating A-in-A		45,015		30,015		40,898
Total net voted capital		<u>51,289</u>		<u>62,346</u>		<u>54,667</u>
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges		-65,835		-49,486		-43,777
Depreciation		-105,994		-162,390		-96,870
New provisions and adjustments to previous provisions		-		-		-3,318
Profit/loss on sale of assets		-		-		-
Prior period adjustments		-		-		-
Other non-cash items		-		-		-272
Increase (+) / Decrease (-) in stock		-260		-260		-
Increase (+) / Decrease (-) in debtors		-		-		-
Increase (-) / Decrease (+) in creditors		-		-		-
Use of provisions		-		-		-
Total accruals to cash adjustments		<u>-172,089</u>		<u>-212,136</u>		<u>-144,237</u>
Excess cash to be CFERd		-		-		-
Net Cash Requirement		<u>1,495,326</u>		<u>1,474,614</u>		<u>1,347,317</u>

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	£'000					
Operating income not classified as AinA	2,402	<i>2,402</i>	2,402	<i>2,402</i>	33,166	<i>33,166</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	2,402	<i>2,402</i>	2,402	<i>2,402</i>	33,166	<i>33,166</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	795,600	815,754	694,932	
RfR 2	-	-	-	
Total Net Administration costs	795,600	815,754	694,932	
Net Programme Costs				
RfR 1	596,389	540,766	523,276	
RfR 2	221,735	265,482	185,513	
Common Foreign and Security Policy	6,713	6,722	5,602	
Total Net Programme costs	824,837	812,970	714,391	
Total Net Operating Cost	1,620,437	1,628,724	1,409,323	
<i>of which:</i>				
Net Resource Outturn	1,616,126	1,624,404	1,436,887	
CFERs	-2,402	-2,402	-33,166	
Non-voted expenditure	6,713	6,722	5,602	
Resource Budget Outturn	1,651,079	1,612,705	1,429,287	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	1,616,126	1,624,404	1,436,887
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	6,713	6,722	5,602
Consolidated Fund Extra Receipts in the OCS	-2,402	-2,402	-33,166
Other adjustments	-	-	-
Net Operating Cost (Accounts)	1,620,437	1,628,724	1,409,323
<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	-18,000	-15,421
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2,402	2,402	33,166
resource consumption of non departmental public bodies	740	-421	2,219
unallocated resource provision	45,500	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	1,651,079	1,612,705	1,429,287
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,651,679	1,613,253	1,429,458
Annually Managed Expenditure (AME)	-600	-548	-171

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	51,289	62,346	54,667
<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	11,200	11,200	11,200
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	-	-	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	62,489	73,546	65,867
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	57,089	68,146	60,467
Annually Managed Expenditure (AME)	5,400	5,400	5,400

Notes to the Main Estimate *(continued)*

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 Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Promoting Internationally the interests of the United Kingdom and contributing to a strong world community						
Refunds of salaries of seconded FCO staff	1,256	—	1,256	—	705	—
Sale of information material	49	—	279	—	10	—
Sales into Wider Markets	5,590	—	7,208	—	7,850	—
Income from sub-letting and receipts from sales of surplus material and equipment	110	—	110	—	11	—
Receipts at home and overseas from legalisation fees, telephone and postage recoveries, medical schemes recoveries, bank interest and other sundry receipts	5,335	—	5,430	—	4,555	—
Receipts from Government Departments	47,718	—	47,718	—	43,451	—
Overseas receipts relating to local budgets	2,572	—	2,612	—	2,148	—
Receipts for visa, and other services provided at consular offices	98,876	—	105,326	—	97,684	—
Lancaster House receipts from other customers	87	—	87	—	—	—
Wilton Park Executive Agency	1,679	—	1,679	—	3,135	—
Distressed British nationals, repayment of advances	65	—	65	—	—	—
DFID payments to Commonwealth Foundation	247	—	247	—	62	—
British Council Appropriations-In-Aid	—	—	—	—	—	—
Income from sale of fixed assets	—	45,015	—	30,015	—	40,898
Total RfR 1	163,584*	45,015**	172,017	30,015	159,629	40,898

* Amount that may be applied as operating appropriations in aid in addition to the net total, arising from: RfR 1: salary refunds of seconded diplomatic staff and locally engaged staff; the sale of information material, income from sub-letting and receipts from sales of surplus material and equipment; receipts at home and overseas for legalisation fees, telephone and postage recoveries, medical scheme recoveries, bank interest and other sundry receipts, repayment by locally engaged staff of loans for car purchase and medical and other assistance, receipts from Government Departments, receipts for visa, passport and other services provided at consular offices; Wilton Park executive agency receipts for related running costs from other customers and receipts from sales and rents, Hospitality Section, Conference and visits Group and Lancaster House receipts for related running costs from other customers, repayment of sums advanced to distressed British Nationals; repayments of defence assistance loans to Singapore and Malaysia, receipts from Sales into Wider Markets.

**Amount that may be applied as non-operating appropriations in aid include receipts from the sale of land and buildings, receipts from the sale of official vehicles and receipts realised by the British Council.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Consular fees ●	2,402	2,402	2,402	2,402	33,166	33,166
Total	2,402	2,402	2,402	2,402	33,166	33,166

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	958,872	–163,272	795,600
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	1,432,087	219,592	1,651,679
Capital DEL	51,289	5,800	57,089
Less depreciation	–105,994	–31,800	–137,794
Total DEL	1,377,382	193,592	1,570,974

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £1,616,126,000 is 0.5 per cent lower than the final provision and forecast outturn for 2002-03 of £1,624,404,000.

Notes to the Main Estimate *(continued)*

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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	163,584	172,017	159,629

Contingent liabilities

£'000

British Council: indemnities given by the British Council to the owners of objects exhibited overseas against loss or damage.

£4,359

Subscriptions to International Organisations above £1 million

£'000

United Nations Regular Budget	53,000
Commonwealth Secretariat	3,517
Council of Europe	16,429
Western European Union	1,800
Organisation for Economic Co-operation and Development (OECD)	7,800
North Atlantic Treaty Organisation (NATO)	17,600

Grants in aid above £1 million

£'000

BBC World Service	219,429
British Council ♥	166,039
Westminster Foundation for Democracy ♥	4,100

Department for International Development

Introduction

1. This Estimate covers expenditure by the Department for International Development (DFID) on: the United Kingdom's international development programme; global environment assistance; payments to certain beneficiaries of the Gibraltar Social Insurance Fund; the development of a public/private partnership with CDC Capital Partners; conflict prevention; related administrative work, including the administration of pensions expenditure; certain associated non-cash items. The Forecast Operating Cost Statement also includes details of non-voted attribution for the UK share of European Community budgetary spending on aid and for the loss of interest to the Consolidated Fund as a result of Retrospective Terms Adjustment arrangements stemming from debt relief.

2. A detailed breakdown of voted resource allocation, voted capital allocation and a detailed analysis of administration expenditure over the period 1998/99 to 2005/06, are provided in Tables 2, 3 and 6 of Annex 1 'Analysis of Departmental Expenditure' of DFID's 2003 Report on the Government's expenditure plan (Cm 5914). The tables also include details of DFID's non-voted attribution for the European Community budgetary spending on aid and the loss of interest to the Consolidated Fund as a result of Retrospective Terms Adjustment arrangements stemming from debt relief.

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

Part I

	£
Request for Resources 1: Eliminating poverty in poorer countries	2,726,746,000
Request for Resources 2: Conflict prevention	38,360,000
Total net resource requirement	2,765,106,000
Net cash requirement	2,709,603,000

Amounts required in the year ending 31 March 2004 for expenditure by the Department for International Development on:

RfR 1: Eliminating poverty in poorer countries

International development under the International Development Act 2002, including financial and technical assistance to governments, institutions, voluntary agencies and individuals; capital and other subscriptions and contributions, including payments under guarantee to multilateral development banks and other international and regional bodies; emergency, refugee and other relief assistance; pensions and allowances in respect of overseas service including contributions to pension funds (including payments under the Overseas Pensions Act 1973, and grants in lieu of pensions); global environment assistance; payments to United Nations Educational, Scientific and Cultural Organisation (UNESCO); administration, related capital expenditure and other administrative costs; costs involved in the development of a public/private partnership with CDC Capital Partners; payments (under the authority of the European Communities Act 1972) to certain beneficiaries of the Gibraltar Social Insurance Fund; and associated non-cash items.

RfR 2: Conflict prevention

Conflict prevention, early warning, crisis management, conflict resolution/peacemaking and peacebuilding activity and on associated strengthening of international and regional systems and capacity; and on associated non-cash items.

The **Department for International Development** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	2,726,746,000	1,139,205,000	1,587,541,000
RfR 2	38,360,000	16,044,000	22,316,000
Total net resource requirement	2,765,106,000	1,155,249,000	1,609,857,000
Net cash requirement	2,709,603,000	1,137,683,000	1,571,920,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Eliminating poverty in poorer countries									
213,600	98,093	2,420,386	2,732,079	5,333	2,726,746	48,000	37,000	2,741,055	2,480,056
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Reducing Poverty in sub-Saharan Africa									
37,620	-	626,196	663,816	218	663,598	1,210	5,174	620,792	536,704
B Reducing Poverty in Asia									
34,100	-	516,758	550,858	215	550,643	590	5,174	466,971	507,040
C Reducing Poverty in the Rest of the World									
20,690	-	174,077	194,767	200	194,567	440	10,349	215,110	200,860
D Improve the Effectiveness of Multilateral Aid									
11,320	33,400	725,432	770,152	100	770,052	20,060	16,000	791,373	721,467
E Developing Innovative Approaches to Development									
25,190	-	203,238	228,428	-	228,428	60	-	455,781	333,221
F Programmes Contributing to Multiple Objectives									
9,560	56,693	72,684	138,937	-	138,937	140	-	73,228	91,599
G Central Departments									
75,120	-	2,000	77,120	4,600	72,520	25,500	23	109,799	81,964
H Certain beneficiaries of the Gibraltar Social Insurance Fund									
-	8,000	-	8,000	-	8,000	-	-	8,000	7,200
I Unallocated									
-	-	100,000	100,000	-	100,000	-	-	-	-
J Crown Agents loan repayments									
-	-	-	-	-	-	-	280	-	-

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
K	Anti money laundering								
-	-	1	1	-	1	-	-	1	1
	RfR 2: Conflict prevention								
-	-	38,360	38,360	-	38,360	-	-	46,509	21,966
	Spending in Departmental Expenditure Limits (DEL)								
	<i>Central Government spending</i>								
A	Sub - Saharan Africa - Programme expenditure								
-	-	22,360	22,360	-	22,360	-	-	25,342	14,416
B	Global - Programme expenditure								
-	-	16,000	16,000	-	16,000	-	-	21,167	7,550
Total for Estimate:									
213,600	98,093	2,458,746	2,770,439	5,333	2,765,106	48,000	37,000	2,787,564	2,502,022

Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
Net Total Resources		2,765,106		2,787,564		2,502,022
Voted capital items						
Capital		48,000		61,975		71,119
Less Non-operating A-in-A		37,000		48,601		47,214
Total net voted capital		11,000		13,374		23,905
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges		-92,903		-85,317		-80,784
Depreciation		-21,000		-16,925		-10,531
New provisions and adjustments to previous provisions		-441,000		-466,501		-251,966
Profit/loss on sale of assets		-		-		-
Prior period adjustments		-		-		-
Other non-cash items		-250		-250		-243
Increase (+) / Decrease (-) in stock		-		-		-
Increase (+) / Decrease (-) in debtors		-		-		-
Increase (-) / Decrease (+) in creditors		-		-		-
Use of provisions		488,650		367,432		337,351
Total accruals to cash adjustments		-66,503		-201,561		-6,173
Excess cash to be CFERd		-		-		-
Net Cash Requirement		2,709,603		2,599,377		2,519,754

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	15,000	<i>15,000</i>	15,000	<i>15,000</i>	7,846	<i>15,450</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	15,000	<i>15,000</i>	15,000	<i>15,000</i>	7,846	<i>15,450</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	209,000	95,391	81,957	
RfR 2	-	-	-	
Total Net Administration costs	209,000	95,391	81,957	
Net Programme Costs				
RfR 1	2,502,746	2,630,664	2,390,253	
RfR 2	38,360	46,509	21,966	
Non voted expenditure	867,000	804,000	671,820	
Total Net Programme costs	3,408,106	3,481,173	3,084,039	
Total Net Operating Cost	3,617,106	3,576,564	3,165,996	
<i>of which:</i>				
Net Resource Outturn	2,765,106	2,787,564	2,502,022	
CFERs	-15,000	-15,000	-7,846	
Non-voted expenditure	867,000	804,000	671,820	
Resource Budget Outturn	3,639,106	3,591,564	3,173,842	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	2,765,106	2,787,564	2,502,022
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	867,000	804,000	671,820
Consolidated Fund Extra Receipts in the OCS	-15,000	-15,000	-7,846
Other adjustments	-	-	-
Net Operating Cost (Accounts)	3,617,106	3,576,564	3,165,996
<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	15,000	15,000	7,846
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	7,000	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	3,639,106	3,591,564	3,173,842
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,639,106	3,591,564	3,173,842
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	11,000	13,374	23,905
<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)	11,000	13,374	23,905
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	11,000	13,374	23,905
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department for International Development, Suma Chakrabarti as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Department for International Development is as follows:

Request for Resources 1: Suma Chakrabarti, Principal Accounting Officer and Permanent Head of Department

Request for Resources 2: Suma Chakrabarti, 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*. 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.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04		2002-03		2001-02	
	Operating	Non-	Operating	Non-	Operating	Non-
A in A	operating	A in A	operating	A in A	operating	operating
	A in A	A in A	A in A	A in A	A in A	A in A
RfR1: Eliminating Poverty in Poorer Countries						
Loan repayments	—	20,697	—	27,298	—	27,171
Guarantee refunds from European Investment Bank	100	—	100	—	147	—
Administrative costs recoveries	4,500	23	4,500	23	3,201	23
Recovery of EBRD Director's salary	100	—	100	—	68	—
Crown Agents Loan repayment	—	280	—	280	—	280
Receipts from overseas governments	633	—	2,633	—	1,304	—
Income from CDC Group plc	—	16,000	—	21,000	—	19,740
Total	5,333*	37,000**	7,333	48,601	4,720	47,214

*Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from overseas governments in respect of bilateral country and sector programmes; recoveries of contributions to widows and orphans' pension schemes taken over by the UK; refunds of payments made under UK guarantees to the EIB, and recoveries in respect of administration including the EBRD Executive Directors' salary.

**Amount that may be applied as non-operating appropriations in aid arising from repayments of loans given to Crown Agents; capital repayments of development assistance loans, income from a debenture issued to DFID by CDC Group plc and income from the disposal of fixed assets

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess A in A	—	—	—	—	—	—
Interest payments	14,500	14,500	14,252	14,252	—	15,450
Dividends	—	—	—	—	—	—
Miscellaneous	500	500	748	748	7,846	—
Total	15,000	15,000	15,000	15,000	7,846	15,450

Notes to the Main Estimate *(continued)*

Administration cost limits and Departmental Expenditure Limits £

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	213,600	4,600	209,000
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	2,765,106	874,000	3,639,106
Capital DEL	11,000	—	11,000
Less depreciation	–21,000	—	–21,000
Total DEL	2,755,106	874,000	3,629,106

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £2,765,106,000 is 0.8 per cent lower than the final provision for 2002-03 of £2,787,564,000 and 0.8 per cent lower than the forecast outturn of that year of £2,787,564,000

Notes to the Main Estimate (continued)
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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	42,333	55,934	52,661

Department for International Development: Overseas Superannuation[†]

Introduction

1. This Estimate covers various superannuation payments and grants arising from service overseas. The main components being pensions, UK supplements and increases to overseas service pensions of former officers of the India, Pakistan and Burma civil and military services and their dependants, and to former colonial public servants and dependants; pension entitlements arising from post-independence service; pensions for beneficiaries of certain former overseas pension funds for which the UK assumed responsibility for the take-over of the pensions; police and firemen pension liabilities; war service credit.

2. Details of expenditure in each of the sections of the Estimate and a breakdown of the request for resource allocation are provided in the Departmental Report.

3. As a consequence of adopting Financial Reporting Standard (“FRS”) 17 ‘Retirement Benefits’, the Resource Accounts of pension schemes administered by central government will, from 2003-4, include on their balance sheets the liability to meet future pension costs. They will also account for the accruing cost of providing pensions rather than just the benefits payable and contributions receivable. Whilst their format is largely unaltered, the way in which resource expenditure is measured is fundamentally changed. Such changes are reflected in this Estimate.

Request for Resources

4. In 2001-02 and 2002-03, the Request for Resources provided for the amounts to be paid and payable in respect of retirement benefits, net of contributions. In consequence, there was generally little difference between the Estimates provision for Resources and for the Net Cash Requirement.

5. From 2003-04 the Estimate provision for resource expenditure is instead the cost of benefits accruing in the year. The most significant of these are the build-up of benefit entitlements from employees’ service during the year and the interest cost arising because future benefit payments are one year closer to settlement. Income from contributions continues to be appropriated in aid of expenditure.

Net Cash Requirement

6. The elements of the Net Cash Requirement are unaltered but are accounted for differently. Most significantly, the payment of pensions and lump sums that were previously the cash consequences of resource expenditure, are now the use of the balance sheet provision for pensions.

Consequences of the change

7. There may now be a significant difference between the resource costs and cash requirements of retirement benefits. There is no necessary relationship between the benefits accruing in any particular year and the benefits paid in that year.

8. For 2003-04 there is a significant additional difference. An adjustment is needed in 2003-04 in respect of the two previous years for which Parliament voted resources on the ‘old’ basis. The adjustment seeks Parliamentary authority for the additional resource expenditure in those years that is recognised by virtue of the change in accounting.

9. The administration costs associated with this Estimate are met from the International Development Estimate.

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

[†] In the Vote on Account this Estimate is described as “DFID: Overseas Superannuation”

Part I

	£
RfR 1: Overseas Superannuation†	60,293,000
Total net resource requirement	60,293,000
Net cash requirement	114,767,000

Amounts required in the year ending 31 March 2004 for expenditure by the Department for International Development on:

RfR 1: Overseas Superannuation:

Pension and superannuation payments, grants and compensation payments, etc. in respect of overseas services; and sundry other services and expenditure.

The **Department for International Development** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete/ surrender
	£	£	£
RfR 1	60,293,000	80,500,000	–20,207,000
Total net resource requirement	60,293,000	80,500,000	–20,207,000
Net cash requirement	114,767,000	53,250,000	61,517,000

† In the Vote on Account RfR 1 is described as “DFID superannuation pensions”

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Overseas Superannuation									
-	60,723	-	60,723	430	60,293	-	-	56,331	59,473
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Overseas Superannuation pensions									
-	60,723	-	60,723	430	60,293	-	-	56,331	59,473
Total for Estimate:									
-	60,723	-	60,723	430	60,293	-	-	56,331	59,473

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	60,293	56,331	59,473
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
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	-60,723	-56,380	-59,598
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	873
Increase (-) / Decrease (+) in creditors	-	-	-589
Use of provisions	115,197	118,383	121,519
Total accruals to cash adjustments	54,474	62,003	62,205
Excess cash to be CFERd	-	-	-
Net Cash Requirement	114,767	118,334	121,678

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	12	<i>12</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	12	<i>12</i>

Forecast Combined Revenue Account

	2003-04 provision £000	2002-03 provision £000	2001-02 outturn £000
Programme Costs			
Vote Expenditure			
Income			
Contributions receivable	—	—	—
Transfers in	430	49	57
Other Income	—	—	80
Total	430	49	137
Expenditure			
Interest on scheme liability	60,723	56,380	59,598
Increase in liability	—	—	—
Other Expenditure	—	—	—
Net Programme costs	60,293	56,331	59,461
Total net outgoings for the year	60,293	56,331	59,461
<i>of which</i>			
Net resource outturn	60,293	56,331	59,473
CFERS	—	—	-12
Resource budget outturn	60,293	56,331	59,461

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Resource Outturn (Estimates)	60,293	56,331	59,473
<i>Adjustments to remove:</i>			
provision voted for earlier years	—	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS		—	—
Consolidated Fund Extra Receipts in the OCS		—	-12
Other adjustments	—	—	—
Net Operating Cost (Accounts)	60,293	56,331	59,461
<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)	60,293	56,331	59,461
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	60,293	56,331	59,461

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
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 Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department for International Development, Suma Chakrabarti, as Accounting Officer of the Overseas Pension Scheme with responsibility for preparing the Estimate for the Scheme.

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 Pension Scheme's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Overseas superannuation						
Transfers in	430	—	49	—	44	—
Banking receipts	—	—	—	—	80	—
Total RfR 1	430*	—	49	—	124	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from superannuation transfer values from overseas employing governments in respect of UK police officers and firemen returning to their home forces following services overseas and bank commission on overseas payments.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Interest payments	—	—	—	—	—	—
Dividends	—	—	—	—	—	—
Miscellaneous (Police Transfer Values not classified as A in A)	—	—	—	—	12	12
Total	—	—	—	—	12	12

Notes to the Main Estimate *(continued)*

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £60,293,000 is 7 per cent higher than the final provision and forecast outturn for 2002-03 of £56,331,000.

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:

A1 Pensions etc. for Service with the Cotton Research Corporation ■	– £130,000.
A2 Grants to British subjects in lieu of superannuation and other benefits due to them by the former Shanghai Municipality, payment of which has been suspended; grants to certain pensioners of the former Burma services resident outside Burma ■	– £40,000.

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 that has been or will be appropriated in aid.

2003-04 provision	2002-03 provision	2001-02 outturn
430	49	126

Department of Trade and Industry

Introduction

1. The Department of Trade and Industry has two Requests for Resources: RfR1 Increasing UK Competitiveness and RfR2 Increasing Scientific Excellence in the UK and Maximising its Contribution to Society.

RfR 1: Increasing UK Competitiveness

2. This Request for Resources provides for the promotion of enterprise, innovation and increased productivity delivered through market solutions designed to meet market imperfections; promotion of strong, fair and competitive markets at home and abroad including developing fair and effective legal and regulatory frameworks; support for energy-related activities including regulation, security, civil-emergency planning, environmental remediation and support for new and sustainable energy sources; the efficient management and discharge of liabilities (mainly nuclear and coal) falling to the Department; payments to other Government Departments and grants and grants-in-aid in relation to the above objectives; financial assistance to public corporations.

RfR 2: Increasing Scientific Excellence in the UK and Maximising its Contribution to Society

3. This Request for Resource provides grant in aid to the seven science Research Councils – Biotechnology and Biological Sciences Research Council (£267,649,000); Economic and Social Research Council (£94,584,000); Engineering and Physical Sciences Research Council (£463,224,000); Medical Research Council (£387,993,000); Natural Environment Research Council (£286,359,000); Particle Physics and Astronomy Research Council (£259,062,000); and the Council for the Central Laboratory of the Research Councils (£83,447,000), including the UK's subscriptions to international organisations in their fields of activity; Research Council's Pension Scheme; grants in aid to other scientific bodies (the Royal Society and the Royal Academy of Engineering); and grants for other sundry scientific services including the University Challenge Fund, the Joint Infrastructure Fund and the Cambridge/MIT Institute and administration costs of the Office of Science and Technology.

4. A detailed analysis of appropriations in aid of these Requests for Resources, EU expenditure, and related income and Consolidated Fund extra receipts can be found below.

5. A number of grants in aid and international subscriptions in excess of £1 million are borne by these Requests for Resources. For RfR1 grants in aid are provided to the Advisory, Conciliation and Arbitration Service; The National Association of Citizen's Advice Bureaux; Citizen's Advice Scotland; the National Consumer Council; the Gas and Electricity Consumer Council; the Consumer Council for Postal Services; the Design Council; the Competition Commission; the Coal Authority; the eight Regional Development Agencies and the London Development Agency; and the United Kingdom Atomic Energy Authority. For RfR 1 relevant international subscriptions are the European Space Agency; World Trade Organisation; the International Telecommunications Union; the Universal Postal Union; the International Atomic Energy Agency; and the organisation for the Prohibition of Chemical Weapons. For RfR2 relevant international subscriptions are paid to the Institute Laue-Langevin and European Synchrotron Radiation Facility, (by EPSRC), International Agency for Research on Cancer, Human Frontier Science Programme, European Molecular Biology Conference and European Molecular Laboratory (by MRC); European Organisation for Nuclear Research, European Incoherent Scatter Facility, European Space Agency and Anglo Australian Telescope (by PPARC), and European Science Foundation (by EPSRC, MRC and PPARC).

Introduction (*continued*)

6. A breakdown of the resource estimate for 2003-04 by individual function is given in Annex B1 of “The Government’s Expenditure Plans 2003-04 to 2005-06” (Cm 5916).

7. DTI issues overall resource-based budgets and makes payments of Grant in Aid to the Regional Development Agencies (RDAs). ODPM, DfES, DEFRA and BTI will contribute by supplying resources which DTI will appropriate in aid. DTI will manage the resources centrally, with payments to the RDAs being authorised and certified by the Government Offices for the Regions (GOs). The eight Regional Development Agencies (excluding London) are currently expected to receive £200,000,000 of receipts from the private sector and local authorities. They are entitled to use receipts up to a total of £260,000,000. Receipts over and above that level will be treated as appropriations in aid for which Parliamentary approval will be needed, or surrendered to the Consolidated Fund as extra receipts.

8. Details of long term projects can be found at Annex C3 of “The Government’s Expenditure Plans 2003-04 to 2005-06” (Cm 5916).

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

Part I

	£
Request for Resources 1: Increasing UK competitiveness	2,386,140,000
Request for Resources 2: Increasing Scientific Excellence in the UK and maximising its contribution to society	2,283,163,000
	4,669,303,000
Total net resource requirement	
	6,111,014,000
Net cash requirement	

Amounts required in the year ending 31 March 2004 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, security, civil-emergency planning, environmental remediation and support for new and sustainable energy sources; safety, environment and social impact programmes relating to nuclear sites in Central and Eastern Europe and the Former Soviet Union; the efficient management and discharge of liabilities falling to the Department including nuclear waste management and decommissioning and liabilities in respect of former coal industry employees; 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; 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; international non proliferation; departmental administration costs and a share of the administration costs of British Trade International; 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.

Part I (continued)

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	2,386,140,000	1,087,756,000	1,298,384,000
RfR 2	2,283,163,000	846,173,000	1,436,990,000
Total net resource requirement	4,669,303,000	1,933,929,000	2,735,374,000
Net cash requirement	6,111,014,000	1,948,807,000	4,162,207,000

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Increasing UK Competitiveness									
517,742	316,277	3,350,109	4,184,128	1,797,988	2,386,140	1,111,553	150,251	5,199,665	4,418,202
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Promotion of enterprise, innovation and increased productivity and associated running costs									
114,920	407,008	226,233	748,161	1,330,085	-581,924	38,184	3,475	-383,264	-295,680
B Measures relating to individual industries and related programmes									
-	5,995	46,319	52,314	1,178	51,136	342,981	112,787	128,606	75,361
C Legal and regulatory framework and markets and associated administration costs									
303,571	202,669	58,026	564,266	59,353	504,913	7,258	3,435	511,330	411,842
D Expenses related to Coal Provisions									
-	-	86,481	86,481	-	86,481	-	-	74,301	1,834,152
E British Coal Corporation External Finance									
-	-	403	403	-	403	-	-	372	-115
F Other expenditure related to the coal industry									
-	127	-	127	10,161	-10,034	-	-	-10,052	-1,618
G Modernisation of the Post Office Network									
-	90,000	-	90,000	-	90,000	-	-	70,000	28,311
H Net controlled Agencies and suppliers of Departmental Central Services									
64,177	8,333	-	72,510	74,329	-1,819	12,740	-	-3,141	-8,094
I ERDF and other Community programmes (including Leader Network Project)									
-	227	1,500	1,727	133	1,594	-	-	1,588	268
<i>ERDF - Non-discretionary</i>									
-	-	-	-	-	-	-	-	3,745	5

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
J	Other European Community Expenditure									
-	1	-	1	-	1	-	-	1	-	
K	Loans to and repayments from Trading Funds									
-	-	-	-	-	-	-	30,551	-	-	
L	British Trade International administration costs									
35,074	-	-	35,074	-	35,074	1,640	-	37,952	31,058	
M	Promotion of enterprise, innovation and increased productivity - Capital Modernisation Fund									
-	-	27,500	27,500	-	27,500	8,750	-	21,040	34	
N	Legal and regulatory framework and markets - Capital Modernisation Fund									
-	-	40,200	40,200	-	40,200	-	-	40,900	1,226	
Support for Local Authorities										
O	Current Grants to the London Development Agency									
-	-	148,700	148,700	148,699	1	-	-	1	40,714	
P	Capital Grants to the London Development Agency									
-	-	142,500	142,500	142,499	1	-	-	-	7,574	
Spending in Annually Managed Expenditure (AME)										
Central Government spending										
Q	Measures related to individual industries and related programmes									
-	-	-	-	-	-	700,000	-	-	-	
R	Expenses related to Nuclear Provisions									
-	-395,203	846,515	451,312	-	451,312	-	-	2,994,944	2,975,025	
S	Expenses related to Coal Provisions									
-	-	117,719	117,719	5	117,714	-	-	232,434	-1,972,791	
T	Privatisation expenses									
-	-177	613	436	3	433	-	-	597	14,388	

Part II: Subhead detail *(continued)*

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<i>Bulk transfer of pension liabilities to the Principal Civil Service pension Scheme</i>						-	-	6,659	1,677
Support for Local Authorities									
U	Promotion of enterprise, innovation and increased								
-	-	425	425	-	425	-	-	1,212	-
Non-budget									
V	Promotion of enterprise, innovation and increased productivity and associated running costs								
-	-2,703	1,480,486	1,477,783	-	1,477,783	-	-	1,368,552	1,131,820
W	Legal and regulatory framework and markets and associated administration costs								
-	-	40,419	40,419	-	40,419	-	-	49,349	41,903
X	Expenses related to Nuclear Provisions								
-	-	35,078	35,078	-	35,078	-	-	35,078	91,567
Y	Other expenditure related to the coal and electricity industries								
-	-	27,000	27,000	-	27,000	-	3	25,400	20,700
Z	ERDF and other Community programmes (including Leader Network Project)								
-	-	-	-	7,944	-7,944	-	-	-7,944	-10,576
AA	Petroleum Licencing and Royalties								
-	-	23,600	23,600	23,599	1	-	-	1	1
AB	Refunds of Pension Adjustments								
-	-	392	392	-	392	-	-	369	346

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<i>European Community programmes receipts</i>						-	-	-365	-896
RfR 2: Increasing Scientific Excellence in the UK and maximising its contribution to society									
12,810	29,915	2,240,438	2,283,163	-	2,283,163	198	148	2,025,158	1,719,755
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Swindon Research Councils' Pension Scheme									
-	29,740	-	29,740	-	29,740	-	-	28,450	26,970
B The Royal Society									
-	-	29,245	29,245	-	29,245	-	-	28,783	26,045
C Royal Academy of Engineering									
-	-	5,270	5,270	-	5,270	-	-	4,770	4,270
D OST Initiatives									
-	-	5,305	5,305	-	5,305	-	-	3,327	8,173
E Knowledge Transfer									
-	-	50,000	50,000	-	50,000	-	-	41,592	16,059
F Cambridge/Massachusetts Institute of Technology									
-	-	14,000	14,000	-	14,000	-	-	14,000	4,232
G Foresight LI NK Awards									
-	-	5,000	5,000	-	5,000	-	-	3,000	402
H Science Research Investment Fund									
-	-	250,000	250,000	-	250,000	-	-	118,937	6,063
I Science and Engineering Board Administration Costs									
4,860	-	-	4,860	-	4,860	63	49	4,093	4,120

Part II: Subhead detail (*continued*)

£'000

2003-04						2002-03 Provision	2001-02 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8			
J	Transdepartmental Science and Technology Group Administration Costs									
	7,950	-	-	7,950	-	7,950	135	99	6,759	7,801
	<i>Synchrotron Radiation Source</i>									
	-	-	-	-	-	-	-	-	-	4,534
	<i>Nuclear Fusion</i>									
	-	-	-	-	-	-	-	-	14,631	14,330
	<i>Joint Infrastructure Fund</i>									
	-	-	-	-	-	-	-	-	93,462	101,695
Non-budget										
K	Biotechnology and Biological Sciences Research Council									
	-	-	267,649	267,649	-	267,649	-	-	241,510	213,874
L	Economic and Social Research Council									
	-	-	94,584	94,584	-	94,584	-	-	82,963	73,647
M	Engineering and Physical Sciences Research Council									
	-	-	463,224	463,224	-	463,224	-	-	473,534	444,023
N	Medical Research Council									
	-	-	387,993	387,993	-	387,993	-	-	379,848	356,248
O	Natural Environment Research Council									
	-	-	286,359	286,359	-	286,359	-	-	214,177	187,671
P	Particle Physics and Astronomy Research Council									
	-	-	259,062	259,062	-	259,062	-	-	235,540	210,282
Q	Council for the Central Laboratory of the Research Councils									
	-	-	83,447	83,447	-	83,447	-	-	15,607	9,181
R	Council for the Central Laboratory of the Research Councils - Diamond Synchrotron									
	-	-	39,300	39,300	-	39,300	-	-	20,000	-

Part II: Subhead detail (continued)

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
S Fees Payable under the Animals (Scientific Procedures) Act 1986									
-	175	-	175	-	175	-	-	175	135
Total for Estimate:									
530,552	346,192	5,590,547	6,467,291	1,797,988	4,669,303	1,111,751	150,399	7,224,823	6,137,957

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	4,669,303	7,224,823	6,137,957
Voted capital items			
Capital	1,111,751	1,008,672	89,842
Less Non-operating A-in-A	150,399	736,342	104,175
Total net voted capital	961,352	272,330	-14,333
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	358,319	329,189	306,306
Depreciation	-20,841	-19,287	-46,639
New provisions and adjustments to previous provisions	-1,111,421	-3,743,440	-3,328,165
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-243	-243	-243
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-6,000	-5,000	-55,012
Increase (-) / Decrease (+) in creditors	-	-	33,678
Use of provisions	1,260,545	1,233,107	1,033,890
Total accruals to cash adjustments	480,359	-2,205,674	-2,056,185
Excess cash to be CFERd	-	-	-
Net Cash Requirement	6,111,014	5,291,479	4,067,439

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	433,858	<i>486,545</i>	428,882	<i>482,473</i>	442,629	<i>428,512</i>
Non-operating income not classified as AinA	4	<i>4</i>	4	<i>4</i>	3,899	<i>3,903</i>
Other amounts collectable on behalf of the Consolidated Fund	757,875	<i>767,182</i>	753,493	<i>687,525</i>	681,377	<i>537,083</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	1,191,737	<i>1,253,731</i>	1,182,379	<i>1,170,002</i>	1,127,905	<i>969,498</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	421,950	426,890	345,833	
RfR 2	<u>12,810</u>	<u>10,852</u>	<u>11,921</u>	
Total Net Administration costs	434,760	437,742		357,754
Net Programme Costs				
RfR 1	1,530,332	4,343,893	3,630,223	
RfR 2	2,270,353	2,014,306	1,707,351	
National Insurance Fund	<u>194,809</u>	<u>193,808</u>	<u>180,782</u>	
Total Net Programme costs	3,995,494	6,552,007		5,518,356
Total Net Operating Cost	4,430,254	6,989,749		5,876,110
<i>of which:</i>				
Net Resource Outturn	4,669,303	7,224,823		6,137,957
CFERs	-433,858	-428,882		-442,629
Non-voted expenditure	194,809	193,808		180,782
Resource Budget Outturn	4,684,590	7,403,289		6,250,293

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	4,669,303	7,224,823	6,137,957
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	194,809	193,808	180,782
Consolidated Fund Extra Receipts in the OCS	-433,858	-428,882	-442,629
Other adjustments	-	-	-
Net Operating Cost (Accounts)	4,430,254	6,989,749	5,876,110
<i>Adjustments to remove:</i>			
capital grants to local authorities	-1,475	-1,474	-32,907
capital grants financed from the Capital Modernisation Fund	-67,700	-61,900	-1,260
European Union income and related adjustments	198,944	235,917	217,493
voted expenditure outside the budget	2,135	1,383	966
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	6,379	-2,218	12,842
resource consumption of non departmental public bodies	-41,489	68,854	67,953
unallocated resource provision	14,342	3,548	-
Other adjustments	143,200	169,430	109,096
Resource Budget Outturn (Budget)	4,684,590	7,403,289	6,250,293
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,520,530	4,606,352	5,262,134
Annually Managed Expenditure (AME)	164,060	2,796,937	988,159

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	961,352	272,330	-14,333
<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	259,506	220,797	68,980
capital grants to local authorities	1,475	1,474	32,907
capital grants financed by the Capital Modernisation Fund	67,700	61,900	1,260
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	22,700	25,636	-
Other adjustments	-116,539	-123,829	26
Capital Budget Outturn (Budget)	1,196,194	458,308	88,840
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	496,194	458,308	88,840
Annually Managed Expenditure (AME)	700,000	-	-

Notes to the Main Estimate *(continued)*

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 Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04		2002-03		2001-02	
	Operating	Non-	Operating	Non-	Operating	Non-
A in A	operating	A in A	operating	A in A	operating	operating
	A in A	A in A	A in A	A in A	A in A	A in A
RfR 1: Increasing UK Competitiveness						
Administration costs related to the promotion of enterprise, innovation and increased productivity	2,230	3,475	2,230	3,475	3,328	3,475
Small Firms' Loan Guarantee Scheme	13,250	—	11,380	—	—	—
Innovation	4,250	—	4,250	—	495	—
Telecommunications and posts	3,278	—	3,278	—	1,347	—
Space	57	—	57	—	24	—
Small Business Service	—	—	1,969	—	—	—
Farm Business Advice Service	7,500	—	7,500	—	—	—
Receipts from the Office of the Deputy Prime Minister for Regional Development Agencies	1,188,702	—	1,072,457	—	921,439	—
Receipts from the Office of the Deputy Prime Minister for London Development Agency	282,472	—	248,683	—	241,818	—
Receipts from Department of Education and Skills for Regional Development Agencies	42,500	—	39,443	—	36,653	—
Receipts from Department of Education and Skills for London Development Agency	7,581	—	7,581	—	7,581	—
Receipts from British Trade International for Regional Development Agencies	19,700	—	10,057	—	8,464	—
Receipts from British Trade International for London Development Agency—	1,145	—	1,145	—	1,145	—
Receipts from Department of Environment, Food and Rural Affairs for Regional Development Agencies	40,559	—	62,658	—	58,880	—
Exchange Risk Guarantee Scheme	55	—	55	—	—	—
National Selective Assistance	479	—	479	—	35	—
British Energy repayable credit facility	—	—	—	650,000	—	—
Aerospace and Launch Aid	—	112,787	—	78,730	—	98,942
Shipbuilding	644	—	748	—	1,911	—
Administration costs related to legal and regulatory framework and markets	11,798	3,435	12,416	3,435	11,177	1,033
Employment Relations	—	—	1,733	—	6,212	—
Non-nuclear receipts of a regulatory nature (including Gas and Electricity Consumers Council)	11,930	—	12,730	—	22,428	—
Non-nuclear receipts directly related to creation of open markets	198	—	198	—	202	—
Spectrum Efficiency	5,000	—	4,000	—	—	—
Consumer Protection	109	—	109	—	461	—
Postwatch	7,809	—	8,189	—	9,036	—

Notes to the Main Estimate *(continued)*Analysis of appropriations in aid (A in A) *(continued)*

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1: Increasing UK Competitiveness <i>(continued)</i>						
Trade Policy	10	—	10	—	—	—
External Legal Receipts	203	—	202	—	387	—
Coal Subsidence & Arbitration	77	—	76	—	45	—
Ring-fenced Coal Health Liabilities	5	—	5	—	67	—
Non-ring-fenced Coal Health Liabilities	10,034	—	10,052	—	1,428	—
Coal Operating Subsidy recoveries	50	—	50	—	198	—
Interest on loan to British Energy	—	—	20,000	—	—	—
Leader Network Project	133	—	133	—	103	—
Regional Selective Assistance	250	—	250	—	13,497	—
European Regional Development Fund receipts	7,944	—	7,944	—	10,576	—
European Community Receipts	—	—	365	—	896	—
Petroleum Licensing	23,599	—	23,599	—	18,106	—
Privatisation Receipts	3	3	3	3	26	—
Machinery of Government Changes – transfer from the Cabinet Office	—	—	10,874	—	—	—
Other Receipts						
On Vote Agencies						
Insolvency Service	30,000	—	30,000	—	52,257	—
Employment Tribunals Service	105	—	105	—	1,474	—
Radiocommunications	72,755	—	79,982	—	72,629	—
NWML	498	—	724	—	653	—
Other Govt Depts	1,076	—	1,076	—	1,324	—
Trading Funds						
Companies House	—	385	—	385	—	385
Patent Office	—	30,166	—	166	—	166
Total RfR1	1,797,988*	150,251**	1,698,795	736,194	1,506,254	104,001

Notes to the Main Estimate *(continued)*

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

*Amount that may be applied as 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 and British Trade International 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, 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 radio licence fees received by the Radiocommunications Agency; 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 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 of loans to the trading funds.

£'000

	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 2 – Increasing scientific excellence in the UK and maximising its contribution to society						
OST initiatives	—	—	1	—	—	—
Administrative Costs	—	148	—	148	—	148
Other Receipts						
Total RfR 2	—	148**	1	148	—	148

**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	1,797,988	150,399	1,698,796	736,342	1,506,254	104,149
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Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

£'000

	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Levies on sales of aero engines and airframes	1,493	1,493	10,800	10,800	13,195	13,195
Interest on loans advanced by the Secretary of State to the Companies House Executive Agency trading fund	142	142	436	—	127	127
Receipt of dividend from the Companies House Executive Agency trading fund	1,902	1,902	1,000	1,000	1,000	1,000
Interest on loans advanced by the Secretary of State to the Patent Office Executive Agency trading fund	345	201	546	—	—	—
Receipt of dividend from the Patent Office Executive Agency trading fund	7,469	7,469	2,900	2,900	2,900	2,900
Companies House receipts from late filing penalties	12,000	12,000	12,000	12,000	26,116	26,116
Net controlled agencies	57,297	119,435	55,108	43,713	62,781	62,781
Application fees for petroleum exploration and production licences, and initial and periodic payments (rents). Royalty on petroleum won and saved	637,000	637,000	637,000	637,000	600,506	442,099
Dividends from British Nuclear Fuels plc	53,600	53,600	41,700	41,700	—	—
Non-nuclear energy miscellaneous receipts	85	85	85	85	—	—
Privatisation of the electricity industry, including clawback receipts	2	2	2	2	3,893	3,893
Receipts of the Coal Authority	4,200	4,200	4,400	4,400	4,275	4,275
Privatisation of the coal industry including property clawback receipts	4,200	4,200	4,400	4,400	562	562
Distribution of surpluses from coal industry pension schemes	412,000	412,000	412,000	412,000	412,000	412,000
Privatisation of the nuclear power industry	1	1	1	1	6	6
Privatisation of AEA Technology – property and land clawback	1	1	1	1	—	—
Consumer Council for Postal Services	—	—	—	—	1	1
Consumer Protection	—	—	—	—	57	57
Recovery of overpayments in connection with ex-employee coal liabilities	—	—	—	—	3	3
Royal Society	—	—	—	—	93	93
Biotechnology and Biological Sciences Research Council	—	—	—	—	152	152
Medical Research Council	—	—	—	—	213	213
Engineering and Physical Sciences Research Council	—	—	—	—	6	6
Particle Physics and Astronomy Research Council	—	—	—	—	19	19
Total	1,191,737	1,253,731	1,182,379	1,170,002	1,127,905	969,498

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	466,375	-43,009	423,366
National Weights and Measures Laboratory	3,162	-2,948	214
Radiocommunications Executive Agency	62,401	-51,221	11,180
Suppliers of Departmental Services	14,194	-14,194	—
Net administration costs limits	79,757	-68,363	11,394

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	883,264	3,637,266	4,520,530
Capital DEL	213,988	282,206	496,194
Less depreciation	-20,841	-93,159	-114,000
Total DEL	1,076,411	3,826,313	4,902,724

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £4,669,303,000 is 35.4 per cent lower than the final provision for 2002-03 of £7,224,823,000 and 34.0 per cent lower than the forecast outturn of that year of £7,074,823,000

Notes to the Main Estimate *(continued)*

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

RfR1 Function C Subhead 2 ■	£'000
Trade Policy and Non-Proliferation: current expenditure.	
BNFL Public Private Partnership – advisers' fees	7,553
RfR1 Function C Subhead 4 ■	
Trade Policy and Non-Proliferation: international subscriptions	19,766
RfR1 Function W Subhead 3 ■	
Grant-in-Aid to SITPRO	700
RfR1 Function T Subhead 4 ■	
Expenses incurred in connection with privatisation of the nuclear power, electricity and coal industries	436

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 that has been or will be appropriated in aid

2003-04 provision	2002-03 provision	2001-02 outturn
1,948,387	2,435,138	1,610,403

Notes to the Main Estimate *(continued)*

Grants in Aid

A number of grants in aid and international subscriptions in excess of £1 million are borne on these Requests for Resources (RfRs).

For RfR1 grants in aid are provided to the Advisory, Conciliation and Arbitration Service ♥ (£36,617,000); the National Association of Citizen's Advice Bureaux ♦ (£16,876,000); Citizen's Advice Scotland ♦ (£2,800,000); the National Consumer Council ♦ (£3,200,000); the Gas and Electricity Consumer Council ♦ (£11,200,000), Postwatch ♥ (£7,810,000); the Design Council ♥ (£6,500,000); the Competition Commission ♥ (£18,114,000); the Coal Authority ♥ (£27,000,000); the Regional Development Agencies ♥ (£1,466,176,000); the United Kingdom Atomic Energy Authority ♥ (£35,078,000); and the Equal Opportunities Commission ♥ (£7,205,000).

For RfR2 grants in aid are provided to the Biotechnology and Biological Sciences Research Council ♥ (£267,649,000); Economic and Social Research Council ♥ (£94,584,000); Engineering and Physical Sciences Research Council ♥ (£463,224,000); Medical Research Council ♥ (£387,993,000); Natural Environment Research Council ♥ (£286,359,000); Particle Physics and Astronomy Research Council ♥ (£259,062,000); and the Council for the Central Laboratory of the Research Councils ♥ (£83,447,000).

International Subscriptions

For RfR1 relevant international subscriptions are the European Space Agency; the World Trade Organisation; the International Telecommunications Union; the Universal Postal Union; the International Atomic Energy Agency; and the Organisation for the Prohibition of Chemical Weapons.

For RfR2 relevant international subscriptions are paid to the Institute Laue-Langevin and European Synchrotron Radiation Facility, (by EPSRC), International Agency for Research on Cancer, Human Frontier Science Programme, European Molecular Laboratory European Molecular Biology Conference (by MRC); European Organisation for Nuclear Research, European Incoherent Scatter Facility, European Space Agency and Anglo Australian Telescope, European Southern Observatory (by PPARC), Ocean Drilling Programme (by NERC), and European Science Foundation (by EPSRC, MRC and PPARC).

British Trade International

Introduction

1. This Estimate covers programme expenditure for the purpose of trade development and promotion and inward investment, including grants to the Regional Development Agencies (RDAs). The work of British Trade International is reported in its own Expenditure Plans Report, Cm 5915, as well as the Departmental Reports of the Department of Trade and Industry, Cm 5916 and the Foreign and Commonwealth Office, Cm 5913.
2. British Trade International is a joint operation of the Foreign and Commonwealth Office and the Department of Trade and Industry. The administration costs relating to this programme expenditure in the two departments is reflected in the Main Estimates of those departments.
3. An analysis of appropriations in aid of this Request for Resources and related income for 2003-04 is included in this Main Estimate and shows comparison with the two prior years.
4. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Enhanced competitiveness of companies in the UK through overseas sales and investment; and a continuing high level of quality foreign direct investment.†	95,078,000
Total net resource requirement	95,078,000
Net cash requirement	96,244,000

Amounts required in the year ending 31 March 2004 for expenditure by British Trade International on:

RfR 1: Enhanced competitiveness of companies in the UK through overseas sales and investment; and 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.

British Trade International will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	95,078,000	41,494,000	53,584,000
Total net resource requirement	95,078,000	41,494,000	53,584,000
Net cash requirement	96,244,000	41,571,000	54,673,000

†In the Vote on Account RfR 1 is described as ‘Enhanced competitiveness of companies in the UK through overseas sales and investment; and a continuing high level of quality foreign and direct investment’

Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Enhanced competitiveness of companies in the UK through overseas sales and investment, and a continuing high level of quality foreign direct investment									
-	83,189	13,400	96,589	1,511	95,078	1,248	-	95,916	76,146
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Trade development and promotion and inward investment									
-	83,159	13,400	96,559	1,511	95,048	1,248	-	95,374	75,672
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B Trade development and promotion and inward investment									
-	30	-	30	-	30	-	-	542	474
Total for Estimate:									
-	83,189	13,400	96,589	1,511	95,078	1,248	-	95,916	76,146

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	95,078	95,916	76,146
Voted capital items			
Capital	1,248	248	219
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>1,248</u>	<u>248</u>	<u>219</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	79	139	603
Depreciation	-187	-217	-72
New provisions and adjustments to previous provisions	-30	-542	-474
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	-	-	-374
Use of provisions	<u>56</u>	<u>2,052</u>	<u>92</u>
Total accruals to cash adjustments	-82	1,432	-225
Excess cash to be CFERd	-	-	-
Net Cash Requirement	96,244	97,596	76,140

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	7	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	7	-

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	-	-	-	
Net programme costs:				
RfR 1	95,078	95,916	76,139	
Total net programme costs	<u>95,078</u>	<u>95,916</u>	<u>76,139</u>	
Total Net Operating Cost	95,078	95,916	76,139	
<i>of which:</i>				
Net Resource Outturn	95,078	95,916	76,146	
CFERs	-	-	-7	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	95,078	95,916	76,139	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	95,078	95,916	76,146
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-7
Other adjustments	-	-	-
Net Operating Cost (Accounts)	95,078	95,916	76,139
<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)	95,078	95,916	76,139
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	95,048	95,374	75,665
Annually Managed Expenditure (AME)	30	542	474

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	1,248	248	219
<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)	1,248	248	219
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,248	248	219
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Group Chief Executive of British Trade International, Sir Stephen Brown, as Accounting Officer of British Trade International with responsibility for preparing British Trade International'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 British Trade International's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
RfR 1 – Enhanced competitiveness of companies in the UK through overseas sales and investment and a continuing high level of quality foreign direct investment						
Trade development and promotion and inward investment	1,511	—	2,084	—	2,119	—
Total A in A	1,511*	—	2,084	—	2,119	—

*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.

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Trade development and promotion ●	—	—	—	—	7	—
Total	—	—	—	—	7	—

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	95,048	—	95,048
Capital DEL	1,248	—	1,248
Less depreciation	187	—	187
Total DEL	96,109	—	96,109

- * i. *Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review*
- ii. *Excludes EU receipts included in Estimates, but excluded in Budgets*

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2003-04 of £95,078,000 is 0.9 per cent lower than the final provision for 2002-03 of £95,916,000 and 3.1 per cent higher than the forecast outturn of that year of £92,246,000.

Notes to the Main Estimate *(continued)*

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 which has or will be appropriated in aid for:

	2003-04 provision	2002-03 provision	2001-02 outturn
	1,511	2,084	2,119

Expenditure resting on the sole authority of the Appropriations Act

The full provision in Section A is sought under the sole authority of Part 1 of the Estimate and of the confirming Appropriation Act in respect of trade development and promotion and inward investment. ■