

# Office of Fair Trading

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## Introduction

1. The Office of Fair Trading (OFT) is an independent consumer protection and competition authority. Its goal is to make markets work well for consumers. This is achieved by enforcing competition and consumer protection law, investigating markets and through an active communications strategy.
2. The increase in funding for the OFT from 06/07 onwards is due to the transfer of responsibility of Consumer Direct to the Office of Fair Trading.
3. Further details of the expenditure contained in this estimate can be found in the OFT Annual Report.
4. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Advancing and safeguarding the economic interests of UK consumers</b>	<b>75,983,000</b>
<b>Total net resource requirement</b>	<b>75,983,000</b>
<b>Net cash requirement</b>	<b>74,491,000</b>

Amounts required in the year ending 31 March 2007 for expenditure by the Office of Fair Trading on:

### **RfR 1: Advancing and safeguarding the economic interests of UK consumers**

Administrative and operational costs and associated non-cash items.

The **Office of Fair Trading** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
<b>RfR 1</b>	<b>75,983,000</b>	<b>25,702,000</b>	<b>50,281,000</b>
<b>Total net resource requirement</b>	<b>75,983,000</b>	<b>25,702,000</b>	<b>50,281,000</b>
<b>Net cash requirement</b>	<b>74,491,000</b>	<b>24,930,000</b>	<b>49,561,000</b>

**Part II: Subhead detail**

										£'000	
2006-07 Provision								2005-06 Provision	2004-05 Outturn		
Resources						Capital Non- operating A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	9	10		
1	2	3	4	5	6	7	8				
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>											
73,933	2,050	-	75,983	-	75,983	1,398	-	57,580	51,678		
<b>Spending in Departmental Expenditure Limits (DEL)</b>											
<i>Central Government spending</i>											
A Administration											
73,933	2,050	-	75,983	-	75,983	1,398	-	57,481	51,678		
<b>Non-Budget</b>											
<i>Refunds</i>											
-	-	-	-	-	-	-	-	99	-		
<b>Total for Estimate:</b>											
73,933	2,050	-	75,983	-	75,983	1,398	-	57,580	51,678		

## Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Resource Requirement</b>	<b>75,983</b>	<b>57,580</b>	<b>51,678</b>
Voted capital items			
Capital	1,398	2,148	898
Less Non-operating A-in-A	-	-	7
<b>Total net voted capital</b>	<b>1,398</b>	<b>2,148</b>	<b>891</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-303	-303	-46
Depreciation	-2,549	-2,549	-1,847
New provisions and adjustments to previous provisions	-133	-259	-1,330
Profit/loss on sale of assets	-	-	7
Prior period adjustments	-	-	-
Other non-cash items	-	-	-50
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	15	984
Increase (-) / Decrease (+) in creditors	-	175	1,138
Use of provisions	95	520	192
<b>Total accruals to cash adjustments</b>	<b>-2,890</b>	<b>-2,401</b>	<b>-952</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>74,491</b>	<b>57,327</b>	<b>51,617</b>

### 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):

	<b>£'000</b>					
	<b>2006-07</b>		<b>2005-06</b>		<b>2004-05</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>
Operating income not classified as A in A	-	-	6,225	<i>6,225</i>	9,454	<i>9,000</i>
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	-	-	<b>6,225</b>	<b><i>6,225</i></b>	<b>9,454</b>	<b><i>9,000</i></b>

## Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Administration Costs</b>			
RfR 1	73,933	55,455	50,042
<b>Total Net Administration costs</b>	<b>73,933</b>	<b>55,455</b>	<b>50,042</b>
<b>Net Programme Costs</b>			
RfR 1	2,050	-4,100	-7,818
<b>Total Net Programme costs</b>	<b>2,050</b>	<b>-4,100</b>	<b>-7,818</b>
<b>Total Net Operating Cost</b>	<b>75,983</b>	<b>51,355</b>	<b>42,224</b>
<i>of which:</i>			
<b>Net Resource Requirement</b>	<b>75,983</b>	<b>57,580</b>	<b>51,678</b>
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-6,225	-9,454
<b>Resource Budget Outturn</b>	<b>75,983</b>	<b>57,505</b>	<b>51,678</b>

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Resource Requirement (Estimates)</b>	75,983	57,580	51,678
<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	-	-6,225	-9,454
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	75,983	51,355	42,224
<i>Adjustments to remove:</i>			
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-99	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	6,225	9,454
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	-	-	-
Other adjustments	-	24	-
<b>Resource Budget (Budget)</b>	75,983	57,505	51,678
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	75,983	57,505	51,678
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Voted Capital (Estimates)</b>	1,398	2,148	891
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	7
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget (Budget)</b>	1,398	2,148	898
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,398	2,148	898
Annually Managed Expenditure (AME)	-	-	-

## Notes to the Main Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

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

**Request for Resources 1:** John Fingleton, CEO of OFT

John Fingleton as the Accounting Officer of the Office of Fair Trading has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Office of Fair Trading.

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

## Notes to the Main Estimate (*continued*)

### Analysis of operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>			
<b>Administration</b>	-	3	2
<i>of which:</i>			
Pension scheme related income	-	3	2
<b>Programme</b>	-	24	-
<i>of which:</i>			
EU Income	-	24	-
<b>Total RfR 1</b>	-	27	2
<b>Total Operating A in A</b>	-	27	2

### Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>			
<b>Administration</b>	-	-	7
<i>of which:</i>			
Sale of assets	-	-	7
<b>Total RfR 1</b>	-	-	7
<b>Total Non-Operating A in A</b>	-	-	7

## Notes to the Main Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	<b>£'000</b>					
	<b>2006-07</b>		<b>2005-06</b>		<b>2004-05</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
Fees for administration of the Consumer Credit Act 1974 and for mergers under the Fair Trading Act 1973●	-	-	6,225	6,225	9,454	9,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,225</b>	<b>6,225</b>	<b>9,454</b>	<b>9,000</b>

## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	75,983	-	75,983
<i>of which:</i> *			
Administration budget	73,933	-	73,933
Near-cash in RDEL	73,093	-	73,093
Capital DEL	1,398	-	1,398
Less Depreciation†	-2,549	-	-2,549
Total DEL	74,832	-	74,832

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

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

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

### Comparison of provision sought with final provision for the previous year

The total net resource sought for 2006-07 of £75,983,000 is 32.0 per cent higher than the final net provision for 2005-06 of £57,580,000.

### Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	-	27	9

