

Office of Fair Trading

Introduction

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

Amount £

Changes in resources

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

Increases:

Take up of End Year Flexibility

- | | |
|--------------------------------------------------------------------------------------------------------|---------|
| 1. Take up of near cash EYF in Section A to fund the launch of "Codes Program" delayed from prior year | 487,000 |
|--------------------------------------------------------------------------------------------------------|---------|

Neutral Changes:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 1. Increase of £13,000 in gross spending offset by a matching contribution from the EU towards the costs of hosting a competition and consumer day | - |
| 2. Reduction in gross provision and appropriations in aid of £295,000 in respect of rental income from minor occupiers | - |

Total change in resources for RfR1 487,000

Changes in capital

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. Increase in capital of £750,000 to fund the introduction of the "PROMOD" IT system through take up of part of OFT's EYF entitlement | 750,000 |
|----------------------------------------------------------------------------------------------------------------------------------------|---------|

Total change in capital for Estimate 750,000

2. As a result of the above and associated non-cash adjustments, there is an increase in the net cash requirement of £1,662,000
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: Advancing and safeguarding the economic interests of UK consumers	487,000
Total additional net resource requirement	487,000
Additional net cash requirement	1,662,000

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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.

Part II: Changes proposed

Resources					£'000
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Advancing and safeguarding the economic interests of UK consumers					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Administration	56,994	205	-282	487	57,481
Total RfR 1		205	-282	487	

Capital and Cash	£000		
	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	1,398	750	2,148
Non-Operating A in A	-	-	-
Net cash requirement	55,401	1,662	57,063

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Advancing and safeguarding the economic interests of UK consumers								
55,494	2,136	-	57,630	27	57,603	2,148	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration								
55,494	2,014	-	57,508	27	57,481	2,148	-	
Non-budget								
B Refunds								
-	122	-	122	-	122	-	-	
Total for Estimate:								
55,494	2,136	-	57,630	27	57,603	2,148	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net total Resources	57,116	487	57,603
Voted capital items			
Capital expenditure	1,398	750	2,148
<i>Less:</i> non-operating A in A	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	1,398	750	2,148
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-303	-	-303
Depreciation	-2,549	-	-2,549
New provisions and adjustments to previous provisions	-546	-	-546
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-16	-	-16
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	31	-	31
Increase(-)/decrease (+) in creditors	175	-	175
Use of provisions	<u>95</u>	<u>425</u>	<u>520</u>
Total accruals to cash adjustments	-3,113	425	-2,688
Excess cash to be CFERd	-	-	-
Net cash requirement	55,401	1,662	57,063

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

		£'000
		2005-06 provision
Net Administration Costs		
RfR 1	<u>55,186</u>	
Total Net Administration Costs		55,186
Net Programme Costs		
RfR 1	<u>-3,808</u>	
Total Net Programme costs		-3,808
Total Net Operating Cost		51,378
<i>of which:</i>		
Net Resource Outturn		57,603
CFERs		-6,225
Non-voted expenditure		-
Resource Budget Outturn		57,492

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	57,603
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts (CFERS) in the OCS	-6,225
Other adjustments	-
Net Operating Costs (Accounts)	51,378
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	11
voted expenditure outside the budget	-122
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	6,225
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	57,492
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	57,492
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
Net Voted Capital Outturn (Estimates)	2,148
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget Outturn (Budget)	2,148
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	2,148
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

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

Request for Resources 1 John Fingleton, Chief Executive Officer of OFT

John Fingleton, as the Principal Accounting Officer (PAO) of the Office of Fair Trading has personal responsibility for the proper presentation of the Office of Fair Trading's resource accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the 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 the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Office of Fair Trading's, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	Non operating
	Operating A in A	operating A in A
RfR 1: Advancing and safeguarding the economic interests of UK consumers		
Pension Contributions	3	-
Receipts from European Travel	11	-
Minor Occupiers Rental Income	-	-
EU contribution to competition and consumer day	13	-
Total RfR1	27 *	- **
<i>of which: Administration budgets</i>	<i>3</i>	

* Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of legal costs, fees for common services provided to other departments and Competition Act fees and contributions from the EU.

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

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

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	487	57,492	-	57,492
<i>of which : Administration Budget</i>	487	55,183	-	55,183
Capital	750	2,148	-	2,148
Depreciation*	-	-2,549	-	-2,549
Total	1,237	57,091	-	57,091

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

Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid	27