

Office of Fair Trading

Introduction

This Supplementary Estimate is required for the following purposes:

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Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
i. Reserve funding relating to penalty recovery	2,669,000		
ii. Budget transfer from Department for Business, Innovation and Skills	450,000		
iii. Utilisation of provision	5,400,000		
iv. Attribution of income to Administration to cover various costs	700,000	-700,000	
v. Reduction of Programme income	1,900,000	-1,900,000	
vi. Transfer from Administration to cover Programme costs	2,300,000	-2,300,000	
Total change in Resource DEL (Voted)	13,419,000	-4,900,000	8,519,000
i. Increase to cover accounting provisions	44,800,000		
Total change in Resource AME (Voted)	44,800,000		44,800,000
i. Revisions to the net cash requirement reflect the resource changes as set out above.	3,119,000		
ii. Increases in Accruals to cash adjustment in respect of decrease in creditors	3,400,000		
iii. Increase Accruals to cash adjustment in respect of utilisation of provision	5,400,000		
Total change in Net Cash Requirement	11,919,000		11,919,000

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	8,519,000	-	8,519,000
Capital	-	-	-
Annually Managed Expenditure			
Resource	44,800,000	-	44,800,000
Capital	-	-	-
Total Net Budget			
Resource	53,319,000	-	53,319,000
Capital	-	-	-
Non-Budget Expenditure	-		
Net cash requirement †	11,919,000		

Supplementary amounts required in the year ending 31 March 2013 for expenditure by Office of Fair Trading on:

Departmental Expenditure Limit:Expenditure arising from:

Advancing and safeguarding the economic interests of UK consumers; enforcing competition and consumer law; analysing and monitoring markets; merger control; licensing and supervision work in the consumer credit and estate agency markets, including anti-money laundering supervision; advocacy; information, education and advice; administrative and operational costs; associated depreciation and any other non-cash items falling in DEL.

Income arising from:

Recovery of legal costs, fees for common services provided to other departments, contributions from other departments towards the costs of market studies, recoveries of VAT, recoveries of salaries of staff on loan or seconded to outside bodies, sale of plant and machinery, Consumer Credit Licence fees, Anti Money Laundering fees, BIS funding for Consumer Direct or some legacy income related to Consumer Direct, payments from Home Office under the recovered assets incentivisation scheme, payments for information and publications, private telephone calls, vending machines, postal and bank charge recoveries and income from short-term office space rental.

Annually Managed Expenditure:Expenditure arising from:

Provisions and other non-cash costs.

Office of Fair Trading will account for this Estimate.

† £8,800,000 has been advanced from the Contingencies Fund to provide for a deficient net cash requirement. A corresponding amount is required to enable repayment to be made to the Fund by 31 March 2013. There are no implications for resources/capital supporting the services provided for in the Estimate.

Part II: Changes Proposed

£'000

Present		Net Resources Changes		Revised		Present	Net Capital	
Admin	Prog	Admin	Prog	Admin	Prog		Changes	Revised
1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
15,748	32,497	-3,000	11,519	12,748	44,016	669	-	669
<i>Of which:</i>								
A Administration								
15,748	32,497	-3,000	11,519	12,748	44,016	669	-	669
Total Spending in DEL								
		-3,000	11,519					
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure								
-	500	-	44,800	-	45,300	-	-	-
<i>Of which:</i>								
B Provisions In AME								
-	500	-	44,800	-	45,300	-	-	-
Total Spending in AME								
		-	44,800					
Total for Estimate								
		-3,000	56,319					
<i>Of which:</i>								
Voted Expenditure								
		-3,000	56,319					
Non Voted Expenditure								
		-	-					

£'000

	Present Plans	Changes	Revised Plans
Net Cash Requirement	46,419	11,919	58,338

Part II: Revised subhead detail including additional provision

£'000

Revised Plans								
Resources						Capital		
Administration		Net	Programme		Net	Gross	Income	Net
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
17,448	-4,700	12,748	50,923	-6,907	44,016	669	-	669
<i>Of which:</i>								
A Administration								
17,448	-4,700	12,748	50,923	-6,907	44,016	669	-	669
Total Spending in DEL								
17,448	-4,700	12,748	50,923	-6,907	44,016	669	-	669
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
-	-	-	45,300	-	45,300	-	-	-
<i>Of which:</i>								
B Provisions In AME								
-	-	-	45,300	-	45,300	-	-	-
Total Spending in AME								
-	-	-	45,300	-	45,300	-	-	-
Total for Estimate								
17,448	-4,700	12,748	96,223	-6,907	89,316	669	-	669
<i>Of which:</i>								
Voted Expenditure								
17,448	-4,700	12,748	96,223	-6,907	89,316	669	-	669
Non Voted Expenditure								
-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	48,745	53,319	102,064
Net Capital Requirement	669	-	669
Accruals to cash adjustments	-2,995	-41,400	-44,395
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-2,495	-	-2,495
New provisions and adjustments to previous provisions	-500	-50,200	-50,700
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	-
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	3,400	3,400
Use of provisions	-	5,400	5,400
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	46,419	11,919	58,338

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

£'000

	Revised Plans
Gross Administration Costs	17,448
<i>Less:</i>	
Administration DEL Income	-4,700
Net Administration Costs	12,748
Gross Programme Costs	96,223
<i>Less:</i>	
Programme DEL Income	-6,907
Programme AME Income	-
Non-budget income	-
Net Programme Costs	89,316
Total Net Operating Costs	102,064
<i>Of which:</i>	
Resource DEL	51,364
Capital DEL	-
Resource AME	50,700
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-
<i>Adjustments to remove:</i>	
Capital in the SoCNE	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-
Other adjustments	-
Total Resource Budget	102,064
<i>Of which:</i>	
Resource DEL	56,764
Resource AME	45,300
<i>Adjustments to include:</i>	
Prior period adjustments	-
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	102,064

Part III: Note B - Analysis of Departmental Income

£'000

**Revised
Plans**

Voted Resource DEL	-11,607
<i>Of which:</i>	
Administration	
Sales of Goods and Services	-4,700
<i>Of which:</i>	
A Administration	-4,700
Total Administration	<u>-4,700</u>
Programme	
Sales of Goods and Services	-6,907
<i>Of which:</i>	
A Administration	-6,907
Total Programme	<u>-6,907</u>
Total Voted Resource Income	<u>-11,607</u>

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2012-13.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer: Clive Maxwell

In accordance with Chapter 3 of Managing Public Money (issued by the Treasury), the following individuals are NDPB Accounting Officer appointments:

Clive Maxwell has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

