

# Department of Energy and Climate Change

## 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. Increase in Save energy with the Green Deal and support vulnerable consumers (Section A) reflecting movement of resources between Sections	19,485,000		
ii. Decrease in Save energy with the Green Deal and support vulnerable consumers (Section A) reflecting transfer to the Department for Environment, Food and Rural Affairs for LEAF (Local Energy Assessment Fund) for Rural Renewables		-7,500,000	
iii. Increase in Deliver secure energy on the way to a low carbon energy future (Section B) reflecting movement of resources between Sections	28,555,000		
iv. Transfer in of funding from the Department for International Development for the International Climate Fund (Section C).	25,000,000		
v. Decrease in Drive ambitious action on climate change at home and abroad (Section C) reflecting movement of resources between Sections		-875,000	
vi. Recognition of notional income and expenditure undertaken by the Environment Agency on the administration of the Carbon Reduction Commitment scheme (Section C).	4,332,000	-4,332,000	
vii. Transfer in of funding from Security and Intelligence Agencies for Safeguards Support and Nuclear Security (Section D).	2,716,000		
viii. Transfer in of funding from the Department for International Development for the International Atomic Energy Agency Technical Contribution fund (Section D).	965,000		
ix. Decrease in Manage our energy legacy responsibly and cost-effectively (Section D) reflecting movement of resources between Sections		-89,000	
x. Increase in funding for Concessionary Fuel liabilities and reduction in funding for British Energy liabilities in line with latest forecasts (Section D).	2,804,000	-9,408,000	
xi. Machinery of Government change - transfer of Urenco to Department for Business, Innovation and Skills (Section D)		-8,051,000	

xii. Neutral exchange of Capital and Resource DEL between Nuclear Decommissioning Authority (NDA) and core Department to reflect expenditure profiles (Section E).	18,900,000		
xiii. Reallocation of funds following increase in funding for Concessionary Fuel liabilities and reduction in funding for British Energy liabilities in line with latest forecasts (Section E).	6,604,000		
xiv. Machinery of Government change - transfer of Urenco to Department for Business, Innovation and Skills (admin costs) (Section E)		-20,000	
xv. Recognition of funding from OGDs (Section E) offset by increased expenditure for Committee on Climate Change on Section I		-797,000	
xvi. Switch from Admin to Programme within Resource DEL and from Admin to Capital DEL (section E)	13,400,000	-15,900,000	
xvii. Surrender of funding under the Budget Exchange system (Section E).		-17,532,000	
xviii. Decrease in Deliver the capability DECC needs to achieve its goals (Section E) reflecting movement of resources between Sections		-45,253,000	
xix. Recognition of additional expenditure for the Nuclear Decommissioning Authority (Section F) offset by increase in Non-Voted DEL CFER	144,000,000		
xx. Neutral exchange of Capital and Resource DEL between NDA and core Department to reflect expenditure profiles (Section F).		-18,900,000	
xxi. Surrender of funding for Nuclear Decommissioning Authority for use in future years (Section F).		-62,919,000	
xxii. Transfer of NDA funding from Resource to Capital DEL to reflect expenditure profiles (Section F).		-183,100,000	
xxiii. Decrease in Coal Authority (Section G) reflecting movement of resources between Sections		-1,773,000	
xxiv. Increased expenditure for Committee on Climate Change (Section I) offset by recognition of funding from OGDs reflected in Section E.	797,000		
xxv. Decrease in Committee on Climate Change (Section I) reflecting movement of resources between Sections		-50,000	
<b>Total change in Resource DEL (Voted)</b>	<b>267,558,000</b>	<b>-376,499,000</b>	<b>-108,941,000</b>
i. Increase in Nuclear Decommissioning Authority income (Section J) offset by increase in Voted DEL expenditure.		-144,000,000	
<b>Total change in Resource DEL (Non-Voted)</b>		<b>-144,000,000</b>	<b>-144,000,000</b>
i. Changes in provision based on latest forecasts for nuclear and coal liabilities (Section K).	1,243,886,000		
ii. Changes in provision based on latest forecasts for Nuclear Decommissioning Authority Nuclear Provision and other non-cash costs (section L).	6,347,525,000		

iii. Changes in provision based on latest forecasts for Coal Authority (Section M) provisions.	181,000,000		
iv. Switch from resource to capital in respect of Renewable Heat Premium Payments (Section O).		-25,000,000	
v. Changes in provision based on latest forecast of Energy Efficiency Loan write-offs (Section P).	1,514,000		
vi. Removal of provision for Renewables Obligation reflecting removal of scheme from Budget in 2012-13.	2,191,000,000	-2,191,000,000	
vii. Removal of provision for Feed-In Tariffs reflecting removal of scheme from Budget in 2012-13.	161,000,000	-161,000,000	
viii. Removal of provision for Warm Home Discount reflecting removal of scheme from Budget in 2012-13.	275,000,000	-275,000,000	
<b>Total change in Resource AME (Voted)</b>	<b>10,400,925,000</b>	<b>-2,652,000,000</b>	<b>7,748,925,000</b>
i. Decrease in Save energy with the Green Deal and support vulnerable consumers (Section A) reflecting movement of resources between Sections		-11,400,000	
ii. Transfer from Cabinet Office as repayment of energy efficiency loan (Section A).	228,000		
iii. Transfer from Department for Education for energy efficiency loans for schools (Section A).	8,000,000		
iv. Transfer to Scottish Government for Green Deal (Section A).		-1,555,000	
v. Increase in Deliver secure energy on the way to a low carbon energy future (Section B) reflecting movement of resources between Sections	48,275,000		
vi. Transfer of funding to the Department for International Development for the International Climate Fund (Section C).		-25,000,000	
vii. Transfer in of funding from Security and Intelligence Agencies for Global Threat Reduction Programme (Section D).	3,900,000		
viii. Switch from Resource DEL (section E)	2,500,000		
ix. Neutral exchange of Capital and Resource DEL between NDA and core Department to reflect expenditure profiles (Section E).		-18,900,000	
x. Decrease in Deliver the capability DECC needs to achieve its goals (Section E) reflecting movement of resources between Sections		-32,875,000	
xi. Transfer of NDA funding from Resource to Capital DEL to reflect expenditure profiles (Section F).	183,100,000		
xii. Recognition of additional expenditure for the Nuclear Decommissioning Authority (Section F) offset by increase in Non-Voted DEL CFER	51,000,000		
xiii. Neutral exchange of Capital and Resource DEL between NDA and core Department to reflect expenditure profiles (Section F).	18,900,000		
xiv. Surrender of funding for Nuclear Decommissioning Authority for use in future years (Section F).		-25,000,000	

xv. Decrease in Coal Authority (Section G) reflecting movement of resources between Sections		-4,000,000	
<b>Total change in Capital DEL (Voted)</b>	<b>315,903,000</b>	<b>-118,730,000</b>	<b>197,173,000</b>
i. Increase in Nuclear Decommissioning Authority income (Section J) offset by increase in Voted DEL expenditure.		-51,000,000	
<b>Total change in Capital DEL (Non-Voted)</b>		<b>-51,000,000</b>	<b>-51,000,000</b>
i. Changes in provision based on latest forecasts for Coal Pension Scheme investments (Section K).	111,262,000		
ii. Switch from resource to capital in respect of Renewable Heat Premium Payments (Section O).	25,000,000		
iii. Changes in provision based on latest forecasts for Save energy with the Green Deal and support vulnerable consumers (Section P).	33,000,000		
<b>Total change in Capital AME (Voted)</b>	<b>169,262,000</b>		<b>169,262,000</b>
Revisions to the net cash requirement reflect not only the changes to resources and capital as set out above (excluding non-cash items) but also changes in grant-in-aid requirements of Non-Departmental Public Bodies.	303,158,000		
<b>Total change in Net Cash Requirement</b>	<b>303,158,000</b>		<b>303,158,000</b>

**Part I**

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	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit</b>			
Resource†	-108,941,000	-144,000,000	-252,941,000
Capital	197,173,000	-51,000,000	146,173,000
<b>Annually Managed Expenditure</b>			
Resource	7,748,925,000	-	7,748,925,000
Capital	169,262,000	-	169,262,000
<b>Total Net Budget</b>			
Resource	7,639,984,000	-144,000,000	7,495,984,000
Capital	366,435,000	-51,000,000	315,435,000
<b>Non-Budget Expenditure</b>	-		
<b>Net cash requirement†</b>	<b>303,158,000</b>		

Supplementary amounts required in the year ending 31 March 2013 for expenditure by Department of Energy and Climate Change on:

**Departmental Expenditure Limit:**Expenditure arising from:

Respond to fuel poverty needs;  
measures to improve energy efficiency, security and environmental practice.

Support for energy-related activities including regulation, civil emergency planning, energy resilience measures, environmental remediation and support and facilitation for new and sustainable or more efficient, or less carbon intensive energy sources, technologies, transmission and storage, security and non-proliferation.

Work towards international agreement on climate change;  
promote and support actions to reduce national and global greenhouse gas emissions;  
climate modelling and risk assessment.

Safety, environment and social impact programmes relating to nuclear sites in Central and Eastern Europe and the former Soviet Union and other countries where future G8 Global Partnership related initiatives may be pursued;  
inspections and compliance in accordance with EU regulatory requirements and recovery of expenditure through cost sharing arrangements;

subscriptions and contributions to international organisations and fulfilment of international treaty obligations.

Efficient discharge of liabilities falling to the Department, including nuclear waste management and decommissioning and for former coal industry employees.

Specialist support services, staff management and development; other departmental administration and non-cash costs; exchange risk and other guarantee losses; publicity, promotion, publications, knowledge sharing initiatives and departmental research and development; surveys, monitoring, statistics, advice and consultancies; contributions to fund cross government initiatives; payments to HM Treasury towards the cost of Infrastructure UK.

Expenditure by the Nuclear Decommissioning Authority and its subsidiaries, Coal Authority, Civil Nuclear Police Authority, Committee on Climate Change, Carbon Trust, and Energy Savings Trust.

\* grants to local authorities

Income arising from:

Receipts from other Government Departments and devolved administrations;

grant income from the Department for Business, Innovation and Skills for the Low Carbon Buildings Programme; the repayment of loans and investments; repayment of capital grants;

government carbon offsetting scheme receipts;

receipts relating to the oil and gas industries (including petroleum licensing); Project Camelot Levy Receipts;

income relating to legal services, consultancy, publications, public enquiries, information, secondments, departmental administration costs, central services, rental income and repayments; occupancy charge; administrative and professional services; EU receipts; the sale of surplus land and buildings; refund of input VAT not claimed in previous years on departmental expenditure; non-cash income.

Receipts relating to the Nuclear Decommissioning Authority.

**Annually Managed Expenditure:**

Expenditure arising from:

Efficient discharge of liabilities falling to the Department, including nuclear waste management and decommissioning and for former coal industry employees.

Expenditure by the Nuclear Decommissioning Authority, Coal Authority, Civil Nuclear Police Authority and Committee on Climate Change.

Renewable Heat Incentive including Renewable Heat Premium Payments.

Energy levy-funded expenditure including Renewables Obligation, Feed-In Tariffs and Warm Home Discount (Social Price Support).

Income arising from:

Income relating to repayment and recoveries of compensation and legal costs, distribution of surpluses from coal industry pension scheme, coal privatisation receipts and BNFL/Urenco dividend income;

refund of input VAT not claimed in previous years on departmental expenditure.

Income from Energy levies including Renewables Obligation, Feed-In Tariffs and Warm Home Discount (Social Price Support).

Receipts relating to the Nuclear Decommissioning Authority.

**Department of Energy and Climate Change** will account for this Estimate.

† Policy and ownership responsibility for the UK shareholding in Urenco transferred to the Department for Business, Innovation and Skills on 17 January 2013.

Within the overall changes sought in this Estimate, the specific changes relating to this Machinery of Government change are:

- a) Departmental Expenditure Limit – Resource (Voted) is reduced by £8,071,000; and
- b) the net cash requirement is reduced by £8,071,000.

## Part II: Changes Proposed

£'000

Net Resources						Net Capital		
Present		Changes		Revised		Present	Changes	Revised
Admin	Prog	Admin	Prog	Admin	Prog			
1	2	3	4	5	6	7	8	9
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<b>Voted Expenditure</b>								
203,000	1,932,623	-27,480	-81,461	175,520	1,851,162	1,956,721	197,173	2,153,894
<i>Of which:</i>								
A Save energy with the Green Deal and support vulnerable consumers								
-	63,385	-	11,985	-	75,370	94,000	-4,727	89,273
B Deliver secure energy on the way to a low carbon energy future								
-	31,031	-	28,555	-	59,586	-	48,275	48,275
C Drive ambitious action on climate change at home and abroad								
-	11,890	-	24,125	-	36,015	215,000	-25,000	190,000
D Manage our energy legacy responsibly and cost-effectively								
-	349,691	-	-11,063	-	338,628	2,700	3,900	6,600
E Deliver the capability DECC needs to achieve its goals								
148,382	22,105	-22,199	-18,399	126,183	3,706	80,971	-49,275	31,696
F NDA and SLC expenditure (NDPB)								
47,000	1,427,540	-6,000	-114,919	41,000	1,312,621	1,556,000	228,000	1,784,000
G Coal Authority (NDPB) (net)								
4,956	26,981	-28	-1,745	4,928	25,236	7,550	-4,000	3,550
I Committee on Climate Change (NDPB) (net)								
2,662	-	747	-	3,409	-	-	-	-
<b>Non Voted Expenditure</b>								
-	-691,000	-	-144,000	-	-835,000	-6,000	-51,000	-57,000
<i>Of which:</i>								
J Nuclear Decommissioning Authority Income (CFER)								
-	-691,000	-	-144,000	-	-835,000	-6,000	-51,000	-57,000
<b>Total Spending in DEL</b>								
		<b>-27,480</b>	<b>-225,461</b>			<b>146,173</b>		
<b>Spending in Annually Managed Expenditure (AME)</b>								
<b>Voted Expenditure</b>								
-	434,002	-	7,748,925	-	8,182,927	-77,800	169,262	91,462
<i>Of which:</i>								
K Manage our energy legacy responsibly and cost-effectively								
-	-178,535	-	1,243,886	-	1,065,351	-77,800	111,262	33,462
L Nuclear Decommissioning Authority (NDPB)								
-	486,475	-	6,347,525	-	6,834,000	-	-	-
M Coal Authority (NDPB) (net)								
-	-7,000	-	181,000	-	174,000	-	-	-
O Renewable Heat Incentive								
-	133,000	-	-25,000	-	108,000	-	25,000	25,000

**Part II: Changes Proposed**

£'000

Net Resources						Net Capital		
Present		Changes		Revised		Present	Changes	Revised
Admin	Prog	Admin	Prog	Admin	Prog	7	8	9
1	2	3	4	5	6			
P Save energy with the Green Deal and support vulnerable consumers								
-	-	-	1,514	-	1,514	-	33,000	33,000
<b>Total Spending in AME</b>							<b>169,262</b>	
<b>Total for Estimate</b>							<b>315,435</b>	
<i>Of which:</i>								
<b>Voted Expenditure</b>							<b>366,435</b>	
<b>Non Voted Expenditure</b>							<b>-51,000</b>	

£'000

	Present Plans	Changes	Revised Plans
<b>Net Cash Requirement</b>	<b>4,113,327</b>	<b>303,158</b>	<b>4,416,485</b>



## Part II: Revised subhead detail including additional provision

£'000

<b>Revised Plans</b>								
<b>Resources</b>						<b>Capital</b>		
<b>Administration</b>			<b>Programme</b>					
<b>Gross</b>	<b>Income</b>	<b>Net</b>	<b>Gross</b>	<b>Income</b>	<b>Net</b>	<b>Gross</b>	<b>Income</b>	<b>Net</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<b>Voted expenditure</b>								
177,322	-1,802	175,520	1,868,711	-17,549	1,851,162	2,189,894	-36,000	2,153,894
<i>Of which:</i>								
A Save energy with the Green Deal and support vulnerable consumers								
-	-	-	75,370	-	75,370	125,273	-36,000	89,273
B Deliver secure energy on the way to a low carbon energy future								
-	-	-	72,803	-13,217	59,586	48,275	-	48,275
C Drive ambitious action on climate change at home and abroad								
-	-	-	40,347	-4,332	36,015	190,000	-	190,000
D Manage our energy legacy responsibly and cost-effectively								
-	-	-	338,628	-	338,628	6,600	-	6,600
E Deliver the capability DECC needs to achieve its goals								
127,985	-1,802	126,183	3,706	-	3,706	31,696	-	31,696
F NDA and SLC expenditure (NDPB)								
41,000	-	41,000	1,312,621	-	1,312,621	1,784,000	-	1,784,000
G Coal Authority (NDPB) (net)								
4,928	-	4,928	25,236	-	25,236	3,550	-	3,550
H Civil Nuclear Police Authority (NDPB) (net)								
-	-	-	-	-	-	500	-	500
I Committee on Climate Change (NDPB) (net)								
3,409	-	3,409	-	-	-	-	-	-
<b>Non-voted expenditure</b>								
-	-	-	-	-835,000	-835,000	-	-57,000	-57,000
<i>Of which:</i>								
J Nuclear Decommissioning Authority Income (CFER)								
-	-	-	-	-835,000	-835,000	-	-57,000	-57,000
<b>Total Spending in DEL</b>								
<b>177,322</b>	<b>-1,802</b>	<b>175,520</b>	<b>1,868,711</b>	<b>-852,549</b>	<b>1,016,162</b>	<b>2,189,894</b>	<b>-93,000</b>	<b>2,096,894</b>
<b>Spending in Annually Managed Expenditure (AME)</b>								
<b>Voted expenditure</b>								
-	-	-	8,182,927	-	8,182,927	141,462	-50,000	91,462
<i>Of which:</i>								
K Manage our energy legacy responsibly and cost-effectively								
-	-	-	1,065,351	-	1,065,351	83,462	-50,000	33,462
L Nuclear Decommissioning Authority (NDPB)								
-	-	-	6,834,000	-	6,834,000	-	-	-
M Coal Authority (NDPB) (net)								
-	-	-	174,000	-	174,000	-	-	-
N Civil Nuclear Police Authority (NDPB) (net)								
-	-	-	62	-	62	-	-	-
O Renewable Heat Incentive								
-	-	-	108,000	425	108,000	25,000	-	25,000

**Revised  
Plans**

Resources						Capital		
Administration			Programme					
Gross 1	Income 2	Net 3	Gross 4	Income 5	Net 6	Gross 7	Income 8	Net 9
P Save energy with the Green Deal and support vulnerable consumers								
-	-	-	1,514	-	1,514	33,000	-	33,000
<b>Total Spending in AME</b>								
-	-	-	8,182,927	-	8,182,927	141,462	-50,000	91,462
<b>Total for Estimate</b>								
177,322	-1,802	175,520	10,051,638	-852,549	9,199,089	2,331,356	-143,000	2,188,356
<i>Of which:</i>								
<b>Voted Expenditure</b>								
177,322	-1,802	175,520	10,051,638	-17,549	10,034,089	2,331,356	-86,000	2,245,356
<b>Non Voted Expenditure</b>								
-	-	-	-	-835,000	-835,000	-	-57,000	-57,000

**Part II: Resource to cash reconciliation**

£'000

	Present Plans	Changes	Revised Plans
<b>Net Resource Requirement</b>	<b>1,878,625</b>	<b>7,495,984</b>	<b>9,374,609</b>
<b>Net Capital Requirement</b>	<b>1,872,921</b>	<b>315,435</b>	<b>2,188,356</b>
<b>Accruals to cash adjustments</b>	<b>-335,219</b>	<b>-7,703,261</b>	<b>-8,038,480</b>
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-3,094	-926,462	-929,556
New provisions and adjustments to previous provisions	-123,670	-311,532	-435,202
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-1,514	-1,514
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-3,552,726	-6,630,580	-10,183,306
Add cash grant-in-aid	3,020,283	156,330	3,176,613
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	323,988	10,497	334,485
<b>Removal of non-voted budget items</b>	<b>697,000</b>	<b>195,000</b>	<b>892,000</b>
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	697,000	195,000	892,000
<b>Net Cash Requirement</b>	<b>4,113,327</b>	<b>303,158</b>	<b>4,416,485</b>

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

£'000

	Revised Plans
Gross Administration Costs	177,322
<i>Less:</i>	
Administration DEL Income	-1,802
<b>Net Administration Costs</b>	<b>175,520</b>
Gross Programme Costs	10,461,742
<i>Less:</i>	
Programme DEL Income	-852,549
Programme AME Income	-
Non-budget income	-
<b>Net Programme Costs</b>	<b>9,609,193</b>
<b>Total Net Operating Costs</b>	<b>9,784,713</b>
<i>Of which:</i>	
Resource DEL	870,356
Capital DEL	385,104
Resource AME	8,504,253
Capital AME	25,000
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	-410,104
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-
Other adjustments	-
<b>Total Resource Budget</b>	<b>9,374,609</b>
<i>Of which:</i>	
Resource DEL	1,191,682
Resource AME	8,182,927
<i>Adjustments to include:</i>	
Prior period adjustments	-
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	835,000
Other adjustments	-835,000
<b>Total Resource (Estimate)</b>	<b>9,374,609</b>

## Part III: Note B - Analysis of Departmental Income

£'000

	Revised Plans
<b>Voted Resource DEL</b>	<b>-19,351</b>
<i>Of which:</i>	
Administration	
Sales of Goods and Services	-590
<i>Of which:</i>	
E Deliver the capability DECC needs to achieve its goals	-590
Other Grants	-1,212
<i>Of which:</i>	
E Deliver the capability DECC needs to achieve its goals	-1,212
Total Administration	<u>-1,802</u>
Programme	
Sales of Goods and Services	-17,549
<i>Of which:</i>	
B Deliver secure energy on the way to a low carbon energy future	-13,217
C Drive ambitious action on climate change at home and abroad	-4,332
Total Programme	<u>-17,549</u>
<b>Total Voted Resource Income</b>	<b><u>-19,351</u></b>
<b>Voted Capital DEL</b>	<b>-36,000</b>
<i>Of which:</i>	
Programme	
Repayments	-36,000
<i>Of which:</i>	
A Save energy with the Green Deal and support vulnerable consumers	-36,000
Total Programme	<u>-36,000</u>
<b>Voted Capital AME</b>	<b>-50,000</b>
<i>Of which:</i>	
Programme	
Repayments	-50,000
<i>Of which:</i>	
K Manage our energy legacy responsibly and cost-effectively	-50,000
Total Programme	<u>-50,000</u>
<b>Total Voted Capital Income</b>	<b><u>-86,000</u></b>

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

In addition to income retained by the Department the following income is payable to the Consolidated Fund:

£'000

	Present		Changes		Revised	
	Income	Receipts	Income	Receipts	Income	Receipts
Income in budgets surrendered to the Consolidated Fund (resource)	-691,000	-691,000	-144,000	-144,000	-835,000	-835,000
Income in budgets surrendered to the Consolidated Fund (capital)	-6,000	-6,000	-51,000	-51,000	-57,000	-57,000
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-	-	-	-	-	-
<b>Total</b>	<b>-697,000</b>	<b>-697,000</b>	<b>-195,000</b>	<b>-195,000</b>	<b>-892,000</b>	<b>-892,000</b>

#### Detailed description of CFER sources

£'000

	Present		Changes		Revised	
	Income	Receipts	Income	Receipts	Income	Receipts
<b>Resource DEL</b>						
Nuclear Decommissioning Authority	-691,000	-691,000	-144,000	-144,000	-835,000	-835,000
<b>Capital DEL</b>						
Nuclear Decommissioning Authority	-6,000	-6,000	-51,000	-51,000	-57,000	-57,000
<b>Total</b>	<b>-697,000</b>	<b>-697,000</b>	<b>-195,000</b>	<b>-195,000</b>	<b>-892,000</b>	<b>-892,000</b>

## 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:** Stephen Lovegrove

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

**NDPB Accounting Officers:**

John Clarke	Nuclear Decommissioning Authority
Philip Lawrence	Coal Authority
Mike Griffiths	Civil Nuclear Police Authority
David Kennedy	Committee on Climate Change

**Site Licence Company Accountability:**

The Site Licence Companies are accountable to the Nuclear Decommissioning Authority.

Stephen Lovegrove 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 (FRM), 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.

In accordance with Managing Public Money requirements, the relationship between the Principal Accounting Officer and Additional Accounting Officer(s), and with their Ministers, together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal/Additional Accounting Officer and the NDPB Accounting Officer(s) is set out in writing.

### Part III: Note E - Non-Departmental Public Bodies

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
F & L	Nuclear Decommissioning Authority †	7,168,000	101,000	3,137,621
F	Site Licence Companies	1,019,621	1,683,000	-
G & M	Coal Authority	204,164	3,550	34,631
H & N	Civil Nuclear Police Authority	62	500	952
I	Committee on Climate Change	3,409	-	3,409
<b>Total</b>		<b>8,395,256</b>	<b>1,788,050</b>	<b>3,176,613</b>

† Grant-in-aid is paid to the Nuclear Decommissioning Authority which finances both the Nuclear Decommissioning Authority and the Site Licence Companies.



## Part III: Note G - Expenditure resting on the sole authority of the Supply and Appropriation Act

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Supply and Appropriation Act

Section in Part II: Subhead Detail	Service	£'000
A4-DEL	Green Deal finance support	25,000
A4-DEL	Collective purchasing schemes	5,203
A4-DEL	Energy Company Obligation Brokerage	200
C4-DEL	International Energy, and Climate Change: international subscriptions	5,689
D4-DEL	Non-proliferation, and Nuclear Energy: international subscriptions	27,257
E4-DEL	Fuel Drivers Resilience	3,375

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
As at 31 March 2012 the following liabilities fell to be met from the Department's Estimate:-	
Statutory Indemnities	
– Indemnity in respect of National Grid Company's liabilities re: the interconnector linking the UK and France;	Unquantifiable
Indemnities to Directors	
– Nuclear Liabilities Fund – Secretary of State Trustee Indemnities: Indemnities have been given to the three Trustees of the NLF appointed by the Secretary of State. These indemnities are against personal liability following any legal action against the Fund.	Unquantifiable
– Nuclear Liabilities Fund – British Energy Trustee Back Up Indemnities: Given to the two BE appointed Trustees of the Nuclear Liabilities Fund. These indemnities are against personal liability following any legal action against the Fund. These indemnities can only be used following failed recourse to an indemnity given by British Energy.	Unquantifiable
Other	
– Statutory liability for third party claims in excess of the operator's liability in the event of a nuclear accident in the UK.	Unquantifiable
– Quality Assurance for Combined Heat and Power contractors wrongly assessing a scheme	Unquantifiable
– High Activity Sealed Sources (HASS) Directive: Council Directive 2003/122/EURATOM on the control of high-activity sealed radioactive sources and orphan sources. Liability for costs of retrieving and disposing of sealed radioactive sources in the event that a company keeping such sources becomes insolvent.	Unquantifiable
– Radioactive contaminated land remediation: under section 9 of The Radioactive Contaminated Land (Modification of Enactments) (England) (Amendment) Regulations 2007 SI 2007/3245 the Secretary of State is deemed to be the appropriate person to bear responsibility for remediation of land contaminated by a nuclear occurrence under the part 2A contaminated land regime.	Unquantifiable
– Energy Research Partnership: an indemnity for loss or damage caused to other Parties to the consortium agreement.	Unquantifiable
– EU Emissions Trading Scheme: Member States are required to appoint a Single Auction Monitor to oversee the auctioning of allowances in Phase III. the Joint Procurement Agreement for the Single Auction Monitor (JPA) provides for Member States to indemnify the Commission should the Commission be required to compensate a third party or another Member State for damages which arise in connection with the JPA eg as a result of failure to comply or if a challenge were brought in response to a decision taken by one of the Committees formed under the Agreement.	Unquantifiable
– Coal Industry Act 1994: Responsibility for compensation claims relating to personal injuries suffered by former British Coal mineworkers transferred to the Department on 1 January 1998 by a restructuring scheme under the Coal Industry Act 1994. The timing and amounts of any liability are uncertain, depending on the nature of any injury and whether the courts decide that compensation is due.	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>– Deed Relating to the British Coal Staff Superannuation Scheme under Paragraph 2(9) of Schedule 5 to the Coal Industry Act 1994 and Deed Relating to the Mineworkers' Pension Scheme under Paragraph 2(9) of Schedule 5 to the Coal Industry Act 1994: Government Guarantees were put in place on 31 October 1994, the day the Schemes were changed to reflect the impact of the privatisation of the coal industry. They are legally binding contracts between the Trustees and the Secretary of State for Energy and Climate Change. The Guarantees ensure that the benefits earned by Scheme members during their employment with British Coal, and any benefit improvements from surpluses which were awarded prior to 31 October 1994, will always be paid and will be increased each year in line with the Retail Prices Index. The 1994 arrangements provided for the following notional sub-funds to be established within each overall fund: Guaranteed Fund; Bonus Augmentation Fund; Guarantor's Fund; and Investment Reserve.</p>	Unquantifiable
<p>– Site restoration liabilities inherited from British Coal: The Department has inherited liabilities from British Coal to reimburse certain third parties with the costs necessary to meet statutory environmental standards in the restoration of particular coal-related sites. In addition to specific claims already provided for it remains possible that the Department will be held responsible for further environmental liabilities. The timing and amounts of any liability are uncertain.</p>	Unquantifiable
<p>– Other: There are a number of potential liabilities to the Department in respect of claims from suppliers and employees, which depend on actual or potential proceedings. The timing and amounts of any liability are uncertain.</p>	Unquantifiable
<p>– Inventories: At 31 March 2012 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use.</p>	Unquantifiable
<p>– Pension Schemes - Deficits: Whilst not the lead employer, the NDA is the lead organisation and has ultimate responsibility for certain nuclear industry pension schemes, including the Combined Nuclear Pension Plan, the Magnox section of the ESPS, and the GPS pension scheme. Provisions for known deficits are included within NDA Nuclear Provisions, however, movements in financial markets may adversely impact the actuarial valuations of the schemes, resulting in an increase in scheme deficits</p>	Unquantifiable
<p>– Indemnities: The NDA has non-quantifiable contingent liabilities arising from indemnities given as part of the contracts for the management of the Low Level Waste Repository, Sellafield and Dounreay. These indemnities are in respect of the uninsurable residual risk that courts in a country which is not party to the Paris and Brussels Conventions on third party liability in the field of nuclear energy may accept jurisdiction to determine liability in the event of a nuclear incident. These are not treated as contingent liabilities within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is considered too remote.</p>	Unquantifiable

## Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>– Subsidence Damage liabilities: Licensees of mining operations are required to provide security to the Coal Authority to cover the future costs of settling subsidence damage liabilities within their Areas of Responsibility. Outside the Areas of Responsibility of the holders of licences under Part II of the 1994 Act, the Authority is responsible for making good subsidence damage. Where an Area of Responsibility is extinguished the Authority would become responsible for the discharge of outstanding subsidence liabilities. The Authority also has an ongoing liability to secure and keep secured most abandoned coal mines. (In all cases the liability for operating collieries is the responsibility of the licensees/lessees and security is held to address those liabilities.) Both of the above liabilities have been provided for within the Coal Authority Public Safety and Subsidence provision based on analysis of trends and claims experience. However it is possible that significant, unexpected events outside of this provision may materialise.</p>	Unquantifiable
<p>– Restructuring Scheme: Where liabilities transferred under the various Coal Authority Restructuring Schemes (CARS) have crystallised due to planning conditions, agreements, claims etc, provision has been made. It has not, however, been possible to quantify contingent liabilities that may arise out of indemnities or warranties that may materialise in the future.</p>	Unquantifiable
<p>– Legal claims: The Coal Authority is subject to various claims and legal actions in the ordinary course of its activities, for which provision is made in the accounts, where appropriate, on the basis of information available</p>	Unquantifiable
<p>– Legal claims: The CNPA has a number of potential liabilities in respect of claims from employees, which depend on actual or potential proceedings. The timing and amounts of any payment are uncertain.</p>	Unquantifiable

## Part III: Note L - International Subscriptions

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<b>Section in Part II: Subhead Detail</b>	<b>Body</b>	<b>£'000</b>
D4-DEL	International Atomic Energy Agency	23,110
D4-DEL	Organisation for the Prohibition of Chemical Weapons	3,997
C4-DEL	UN Framework Convention on Climate Change	2,500
C4-DEL	International Energy Agency	1,509
C4-DEL	International Renewable Energy Agency	1,146

