

HM Treasury

Introduction

This Supplementary Estimate is required for the following purposes:

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
(Section A) Core Treasury administration spending is reducing by £8,808,000 and programme spending by £226,500,000. The main changes are reductions relating to Budget Exchange totalling £7,700,000, transfers from HMRC of £176,000 and to Cabinet Office of £400,000, all within the administration budget. The reduction in programme spending mainly arises from the surrender of £220,000,000 by the Financial Services Authority.		-235,308,000	
(Section B) Debt Management Office administration spending is reducing by £343,000 as a result of increased income and programme spending is increasing by £1,000,000.	657,000		
(Section C) United Kingdom Financial Investments administration increase	200,000		
(Section F) Coinage manufacturing costs increase in programme spending covering changes to 5p and 10p coinage	7,500,000		
(Section G) Office of Tax Simplification to reflect latest forecast of spending.	52,000		
Departmental Unallocated Provision reductions in both administration and programme		-10,000,000	
Total change in Resource DEL (Voted)	8,409,000	-245,308,000	-236,899,000
(Section L) Northern Rock increased interest income following increase in interest rate.		-125,000,000	
(Section M) Assistance to financial institutions net reduction mainly reflecting an increase in fair value of BEAPFF and APS derivatives of -£14,031,000,000, an increase in interest on loans £61,000,000 and a transfer from Section S in respect of an FSCS interest payment of £395,000,000.		-14,501,000,000	

(Section Q) Money Advice Service increase due to slippage of a restructuring project.	2,749,000		
(Section R) Financial Services Compensation Scheme transfer of interest payment to Section N.	395,001,000		
(Section S) Credit easing net reduction reflecting the forecast of NLGS guarantees to be issued this financial year.		-56,000,000	
(Section T) Sovereign Grant reduction reflecting the removal of RHPS funding which is already included in Section X.		-3,000,000	
(Section V) Bradford & Bingley reduction in interest income.	13,000,000		
(Section W) Loans to Ireland reduction in interest income.	26,000,000		
Total change in Resource AME (Voted)	436,750,000	-14,685,000,000	-14,248,250,000
(Section Y) Civil List Inclusion of residual payment omitted from the Main Estimate	359,000		
Total change in Resource AME (Non-Voted)	359,000		359,000
(Section A) Core Treasury net increase comprising a transfer from CO of £5,300,000, increased accommodation spending of £1,000,000 offset by receipts of £5,700,000.	600,000		
(Section B) Debt Management Office capital spending mainly for IT hardware.	1,335,000		
Total change in Capital DEL (Voted)	1,935,000		1,935,000
(Section L) Northern Rock increase due to voluntary loan repayments not forecast at the time of the Main Estimate.		-1,648,000,000	
(Section M) Assistance to financial institutions reduction mainly due to voluntary loan repayments not forecast at the time of the Main Estimate		-980,000,000	
(Section S) Credit easing reduction in the forecast of loans to be paid in this financial year.		-50,000,000	
(Section T) Sovereign Grant spending mainly on IT software.	375,000		

(Section W) Bradford & Bingley reduction in forecast of loan repayments	125,000,000		
(Section W) Loans to Ireland reduction due to slower loan drawdown timetable		-403,480,000	
Total change in Capital AME (Voted)	125,375,000	-3,081,480,000	-2,956,105,000
The change in the net cash requirement reflects the cash consequences of the changes to voted resources and capital		-3,407,218,000	
Total change in Net Cash Requirement		-3,407,218,000	-3,407,218,000

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-236,899,000	-	-236,899,000
Capital	1,935,000	-	1,935,000
Annually Managed Expenditure			
Resource	-14,248,250,000	359,000	-14,247,891,000
Capital	-2,956,105,000	-	-2,956,105,000
Total Net Budget			
Resource	-14,485,149,000	359,000	-14,484,790,000
Capital	-2,954,170,000	-	-2,954,170,000
Non-Budget Expenditure	-		
Net cash requirement	-3,407,218,000		

Supplementary amounts required in the year ending 31 March 2013 for expenditure by HM Treasury on:

Departmental Expenditure Limit:Expenditure arising from:

economic, financial and related administration, including group shared services, spending arising from the sale of investments, expenses in connection with honours and dignities and compensation payments arising from gilt administration.

Expenditure of the Debt Management Office, including administration of the Public Works Loan Board, the Commission for the Reduction of National Debt and operational services for HM Treasury, other government departments and the Bank of England.

Expenditure on Treasury related bodies including the Office of Tax Simplification, Office for Budget Responsibility, United Kingdom Financial Investments Ltd, Asset Protection Agency, Infrastructure UK and the Royal Mint Advisory Committee on the design of coins.

The manufacture, storage and distribution of coinage for use in the United Kingdom and actions to protect the integrity of coinage and associated non-cash items falling in DEL.

* Payments to the House of Commons to fund the Parliamentary Commission on Banking Standards.

Income arising from:

recoveries in respect of administration of the Treasury, including recharges for work on financial stability issues, charges for courses, services provided by the Economics in Government team and other officers loaned to other organisations, including the salary of the UK Executive Director of the International Monetary Fund/International Bank for Reconstruction and Development who is a Treasury employee; charges for services provided by the Government Social Research Unit; income from recovery actions in connection with Barlow Clowes; charges for services to government departments provided under the Financial Management Change Agenda;

income from fees charges to Foreign Investment Exchange/Clearing Houses; recoveries in respect of Honours and Dignities; income in respect of insurance sponsorship and supervision responsibilities; amounts arising from loans, including interest and fees; income due to the Debt Management Office for advertising costs, stock exchange listings, data provision, rentals in respect of operating leases, the management and administration of certain public and private funds and provision of a lending service to local authorities, income from the administration of carbon dioxide reduction schemes and the Gilt Purchase and Sale Service; administration of Pool Re and other related bodies;

European Fast Stream income from the Cabinet Office; amounts arising from the sale of shares and debt.

* Recharges for services provided. Loan repayments. Income from financial regulators.

Annually Managed Expenditure:Expenditure arising from:

purchase of metal for the production of coinage; payments in respect of costs related to investment in and financial assistance to financial institutions including credit easing and administration of the Equitable Life Payments Scheme, payments under the Loans to Ireland Act 2010; creation and use of provisions including the Equitable Life Payments Scheme and those in respect of economic, financial and related administration; impairment of fixed assets, spending by the Financial Services Compensation Scheme, the Money Advice Service (formerly the Consumer Financial Education Body) and the Sovereign Grant to the Royal Household and associated non-cash items falling within AME.

* Payments in respect of costs related to financial assistance to non-financial organisations and businesses and infrastructure finance.

Income arising from:

income from financial institutions and other organisations including interest, fees and charges, dividends, loan repayments, sale of assets and other capital receipts.

HM Treasury will account for this Estimate.

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
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
156,955	22,747	-16,899	-220,000	140,056	-197,253	25,540	1,935	27,475
<i>Of which:</i>								
A Core Treasury								
131,613	4,297	-8,808	-226,500	122,805	-222,203	5,350	600	5,950
B Debt Management Office								
12,590	2,450	-343	1,000	12,247	3,450	-	1,335	1,335
C United Kingdom Financial Investments Limited								
2,700	-	200	-	2,900	-	-	-	-
F UK Coinage manufacturing costs								
-	14,000	-	7,500	-	21,500	-	-	-
G Office of Tax Simplification								
300	-	52	-	352	-	-	-	-
Departmental Unallocated Provision								
8,000	2,000	-8,000	-2,000	-	-	-	-	-
Total Spending in DEL								
		-16,899	-220,000			1,935		
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure								
-	-1,470,799	-	-14,248,250	-	-15,719,049	669,242	-2,956,105	-2,286,863
<i>Of which:</i>								
L Northern Rock								
-	-169,000	-	-125,000	-	-294,000	-	-1,648,000	-1,648,000
M Assistance to financial institutions								
-	-497,000	-	-14,501,000	-	-14,998,000	30,000	-980,000	-950,000
Q Money Advice Service (formerly Consumer Financial Education Body) (Net)								
-	1	-	2,749	-	2,750	-	-	-
R Financial Services Compensation Scheme (Net)								
-	-395,000	-	395,001	-	1	-	-	-
S Credit easing								
-	106,000	-	-56,000	-	50,000	150,000	-50,000	100,000
T Sovereign Grant funding of Royal Household (Net)								
-	34,000	-	-3,000	-	31,000	762	375	1,137
V Bradford & Bingley								
-	-469,000	-	13,000	-	-456,000	-1,125,000	125,000	-1,000,000
W Loans to Ireland								
-	-70,000	-	26,000	-	-44,000	1,613,480	-403,480	1,210,000
Non Voted Expenditure								
-	2,900	-	359	-	3,259	-	-	-
<i>Of which:</i>								
Y Civil List								

-	-	-	359	-	359	-	-	-
Total Spending in AME								
			-	-14,247,891		669242	-2,956,105	
Total for Estimate								
			-16,899	-14,467,891			-2,954,170	
<i>Of which:</i>								
Voted Expenditure								
			-16,899	-14,468,250			-2,954,170	
Non Voted Expenditure								
			-	359			-	

£'000

	Present Plans	Changes	Revised Plans
Net Cash Requirement	-2,754,312	-3,407,218	-6,161,530

Part II: Revised subhead detail including additional provision

£'000

Revised Plans								
Resources						Capital		
Administration			Programme					
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								
175,407	-35,351	140,056	28,207	-225,460	-197,253	36,054	-8,579	27,475
<i>Of which:</i>								
A Core Treasury								
152,275	-29,470	122,805	2,157	-224,360	-222,203	11,650	-5,700	5,950
B Debt Management Office								
14,697	-2,450	12,247	4,550	-1,100	3,450	1,335	-	1,335
C United Kingdom Financial Investments Limited								
2,900	-	2,900	-	-	-	-	-	-
D Asset Protection Agency								
3,432	-3,431	1	-	-	-	-	-	-
E Infrastructure Finance Unit Limited								
-	-	-	-	-	-	23,069	-2,879	20,190
F UK Coinage manufacturing costs								
-	-	-	21,500	-	21,500	-	-	-
G Office of Tax Simplification								
352	-	352	-	-	-	-	-	-
H Office for Budget Responsibility (Net)								
1,750	-	1,750	-	-	-	-	-	-
I Royal Mint Advisory Committee on the design of coins (Net)								
1	-	1	-	-	-	-	-	-
Non-voted expenditure								
-	-	-	12,000	-	12,000	-	-	-
<i>Of which:</i>								
J Banking and gilts registration services								
-	-	-	12,000	-	12,000	-	-	-
Total Spending in DEL								
175,407	-35,351	140,056	40,207	-225,460	-185,253	36,054	-8,579	27,475
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
-	-	-	-13,742,050	-1,976,999	-15,719,049	1,321,137	-3,608,000	-2,286,863
<i>Of which:</i>								
K UK Coinage metal costs								
-	-	-	25,000	-	25,000	-	-	-
L Northern Rock								
-	-	-	-	-294,000	-294,000	-	-1,648,000	-1,648,000
M Assistance to financial institutions								
-	-	-	-14,045,000	-953,000	-14,998,000	10,000	-960,000	-950,000
N Provisions								
-	-	-	-21,800	-	-21,800	-	-	-
O Administration of the Equitable Life Payments Scheme								
-	-	-	20,000	572	20,000	-	-	-

Part II: Revised subhead detail including additional provision

£'000

Revised Plans								
Resources						Capital		
Administration			Programme					
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
1	2	3	4	5	6	7	8	9
P Royal Mint dividend								
-	-	-	-	-4,000	-4,000	-	-	-
Q Money Advice Service (formerly Consumer Financial Education Body) (Net)								
-	-	-	2,750	-	2,750	-	-	-
R Financial Services Compensation Scheme (Net)								
-	-	-	-	1	1	-	-	-
S Credit easing								
-	-	-	246,000	-196,000	50,000	100,000	-	100,000
T Sovereign Grant funding of Royal Household (Net)								
-	-	-	31,000	-	31,000	1,137	-	1,137
U Investment in the Bank of England								
-	-	-	-	-30,000	-30,000	-	-	-
V Bradford & Bingley								
-	-	-	-	-456,000	-456,000	-	-1,000,000	-1,000,000
W Loans to Ireland								
-	-	-	-	-44,000	-44,000	1,210,000	-	1,210,000
Non-voted expenditure								
-	-	-	4,259	-1,000	3,259	-	-	-
<i>Of which:</i>								
X Royal Household Pensions								
-	-	-	3,900	-1,000	2,900	-	-	-
Y Civil List								
-	-	-	359	-	359	-	-	-
Total Spending in AME								
-	-	-	-13,737,791	-1,977,999	-15,715,790	1,321,137	-3,608,000	-2,286,863
Total for Estimate								
175,407	-35,351	140,056	-13,697,584	-2,203,459	-15,901,043	1,357,191	-3,616,579	-2,259,388
<i>Of which:</i>								
Voted Expenditure								
175,407	-35,351	140,056	-13,713,843	-2,202,459	-15,916,302	1,357,191	-3,616,579	-2,259,388
Non Voted Expenditure								
-	-	-	16,259	-1,000	15,259	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	-1,276,197	-14,484,790	-15,760,987
Net Capital Requirement	694,782	-2,954,170	-2,259,388
Accruals to cash adjustments	-2,157,997	14,032,101	11,874,104
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-8,595	14,031,000	14,022,405
New provisions and adjustments to previous provisions	20,000	-226,000	-206,000
Departmental Unallocated Provision	-10,000	10,000	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-206,200	220,000	13,800
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-36,514	-124	-36,638
Add cash grant-in-aid	36,512	-2,775	33,737
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-2,270,000	-	-2,270,000
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	316,800	-	316,800
Removal of non-voted budget items	-14,900	-359	-15,259
<i>Of which:</i>			
Consolidated Fund Standing Services	-14,900	-	-14,900
Other adjustments	-	-359	-359
Net Cash Requirement	-2,754,312	-3,407,218	-6,161,530

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

£'000

	Revised Plans
Gross Administration Costs	173,607
<i>Less:</i>	
Administration DEL Income	-35,351
Net Administration Costs	138,256
Gross Programme Costs	-13,695,784
<i>Less:</i>	
Programme DEL Income	-225,460
Programme AME Income	-1,977,999
Non-budget income	-29,000
Net Programme Costs	-15,928,243
Total Net Operating Costs	-15,789,987
<i>Of which:</i>	
Resource DEL	-46,997
Capital DEL	-
Resource AME	-15,713,990
Capital AME	-
Non-budget	-29,000
<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	29,000
Other adjustments	-
Total Resource Budget	-15,760,987
<i>Of which:</i>	
Resource DEL	-45,197
Resource AME	-15,715,790
<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)	-15,760,987

Part III: Note B - Analysis of Departmental Income

£'000

Revised
Plans

Voted Resource DEL	-260,811
<i>Of which:</i>	
Administration	
Sales of Goods and Services	-35,351
<i>Of which:</i>	
A Core Treasury	-29,470
B Debt Management Office	-2,450
D Asset Protection Agency	-3,431
Total Administration	<u>-35,351</u>
Programme	
Sales of Goods and Services	-5,460
<i>Of which:</i>	
A Core Treasury	-4,360
D Debt Management Office	-1,100
Other Income	-220,000
<i>Of which:</i>	
A Core Treasury	-220,000
Total Programme	<u>-225,460</u>
Voted Resource AME	-1,976,999
<i>Of which:</i>	
Programme	
Sales of Goods and Services	-550,000
<i>Of which:</i>	
L Northern Rock	-20,000
M Assistance to financial institutions	-364,000
S Credit easing	-116,000
V Bradford & Bingley	-50,000
Interest and Dividends	-1,426,999
<i>Of which:</i>	
L Northern Rock	-274,000
M Assistance to financial institutions	-589,000
P Royal Mint dividend	-4,000
R Financial Services Compensation Scheme (Net)	1
S Credit easing	-80,000
U Investment in the Bank of England	-30,000
V Bradford & Bingley	-406,000
W Loans to Ireland	-44,000
Total Programme	<u>-1,976,999</u>
Total Voted Resource Income	<u>-2,237,810</u>
Voted Capital DEL	-8,579

Of which:

Programme	
Other Income	-5,700
<i>Of which:</i>	
A Core Treasury	-5,700
Repayments	-2,879
<i>Of which:</i>	
E Infrastructure Finance Unit Limited	-2,879
Total Programme	<u>-8,579</u>

Voted Capital AME **-3,608,000**

Of which:

Programme	
Repayments	-3,608,000
<i>Of which:</i>	
L Northern Rock	-1,648,000
M Assistance to financial institutions	-960,000
V Bradford & Bingley	-1,000,000
Total Programme	<u>-3,608,000</u>

Total Voted Capital Income **-3,616,579**

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)	-	-	-	-	-	-
Income in budgets surrendered to the Consolidated Fund (capital)	-	-	-	-	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-	-	-29,000	-11,229,000	-29,000	-11,229,000
Total	-	-	- 29,000	- 11,229,000	- 29,000	- 11,229,000

Detailed description of CFER sources

£'000

	Present		Changes		Revised	
	Income	Receipts	Income	Receipts	Income	Receipts
Non-Budget						
Pool Re insurance premiums	-	-	-29,000	-29,000	-29,000	-29,000
Accumulated cash from the Bank of England's Quantitative Easing programme.	-	-	-	-11,200,000	-	-11,200,000
Total	-	-	- 29,000	- 11,229,000	- 29,000	- 11,229,000

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:	Sir Nicholas Macpherson KCB
Additional Accounting Officers:	Robert Steeman for Section B

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

ALB/NDPB Accounting Officers:

Jim O'Neil	United Kingdom Financial Investments
Indra Morris	Office of Tax Simplification
Robert Chote	Office for Budget Responsibility
Adam Lawrence	Royal Mint Advisory Committee on the design of coins
Tony Hobman	Money Advice Service
Mark Neale	Financial Services Compensation Scheme
Sir Alan Reid KCVO	The Royal Household

Sir Nicholas Macpherson KCB 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.

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
H	Office for Budget Responsibility	1,750	-	1,750
I	Royal Mint Advisory Committee on the design of coins	1	-	-
Q	Money Advice Service	2,750	-	-
R	Financial Services Compensation Scheme	1	-	-
T	Royal Household	31,000	1,137	31,987
Total		35,502	1,137	33,737

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
Section A	Funding the House of Commons for the Parliamentary Commission on Banking Standards	690

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
Contingent liabilities limited by recourse to assets	
<i>Contingent liabilities have been included in this category where the liability would be limited by recourse to assets if the liability were to crystallise. The amounts shown are gross of any such offset. Contingent liabilities with recourse to equities have not been included.</i>	
HM Treasury announced guarantee arrangements with effect from 1 January 2010 in respect of retail deposits and wholesale liabilities transferred to Northern Rock plc pursuant to the restructuring of the bank. From 24 May 2010 retail deposits in Northern Rock plc were no longer guaranteed by HM Treasury with the exception of fixed term retail deposits existing at 24 February 2010 which are guaranteed for the duration of their term. From 2 November 2010 wholesale liabilities of Northern Rock plc were no longer guaranteed by HM Treasury with the exception of fixed term wholesale deposits in existence at 1 January 2010 which are guaranteed to maturity. (Treasury Minutes dated 25 January 2010, 2 June 2010 and 13 September 2010 and Written Ministerial Statement dated 24 February 2010).	395,000
HM Treasury has announced replacement guarantee arrangements with effect from 1 January 2010 to continue to safeguard certain borrowings and derivative transactions of, and certain wholesale deposits held in accounts with Northern Rock (Asset Management) plc, in each case existing immediately after the transfer became effective on 1 January 2010 and which were not transferred pursuant to the restructuring of the bank. (Treasury Minute dated 25 January 2010).HM Treasury has announced replacement guarantee arrangements with effect from 1 January 2010 to continue to safeguard certain borrowings and derivative transactions of, and certain wholesale deposits held in accounts with Northern Rock (Asset Management) plc, in each case existing immediately after the transfer became effective on 1 January 2010 and which were not transferred pursuant to the restructuring of the bank. (Treasury Minute dated 25 January 2010).	11,155
HM Treasury has put in place guarantee arrangements to safeguard certain wholesale borrowings and deposits with Bradford & Bingley (29 September 2008 letters to Chair of PAC and TSC and Treasury minute of 30 March 2009).	2,980,000
On 19 January 2009, HM Treasury authorised the Bank of England to purchase high quality private sector assets and UK Government debt purchased on the secondary market. The Government has indemnified the Bank of England and the fund specially created to implement the facility from any losses arising out of or in connection with the facility. (Letter to Treasury Select Committee 19 January 2009, letters dated 29 January 2009 and 3 March 2009 to Governor of the Bank of England, Treasury Minutes dated 5 March 2009, 14 September 2009, 9 November 2009, 24 March 2010, 6 October 2011, 9 February 2012 and 5 July 2012).	Up to 385,000,000
Other Contingent Liabilities	
To ensure RBS is adequately capitalised under the Financial Services Authority's stress tests, the Treasury also made available £8bn of contingent capital to RBS, in return for a premium of 4 per cent per annum. This commitment will be in place for 5 years, and can be ended by the firm with the consent of the Financial Services Authority. The contingent capital would, if drawn down, be injected in tranches in the form of B-shares, should the core tier one capital ratio of RBS fall below 5%. The fee may be satisfied in cash, or B-shares or deferred tax assets.	8,000,000

HM Treasury has confirmed to the FSA its intention to take appropriate steps (should they prove necessary) to ensure that Northern Rock (Asset Management) plc will continue to operate above the minimum regulatory capital requirements (Treasury Minute dated 25 January 2010).	Up to 1,600,000
HM Treasury has guaranteed indemnities provided by Northern Rock (Asset Management) plc for its new directors against liabilities and losses in the course of their actions whilst the bank is in public ownership (Treasury Minute dated 25 January 2010).	Unquantifiable
HM Treasury has guaranteed indemnities provided by UK Asset Resolution (UKAR) for its directors against liabilities and losses in the course of their actions whilst the entity is in public ownership (Treasury Minute dated 8 July 2010).	Unquantifiable
HM Treasury has guaranteed indemnities provided by United Kingdom Financial Investments (UKFI) for its new directors against liabilities and losses incurred in the course of their actions.	Unquantifiable
HM Treasury has confirmed to the FSA its intention to take appropriate steps (should they prove necessary) to ensure that Bradford & Bingley will continue to operate above the minimum regulatory capital requirements (Treasury Minute dated 2 June 2009).	Unquantifiable
HM Treasury has provided indemnities for the directors of Infrastructure Finance Unit Limited against liabilities and losses incurred in the course of their actions.	Unquantifiable
Under the Dunfermline Building Society Compensation Scheme, Resolution Fund and Third Party Compensation Order 2009 the Treasury is required to appoint an Appointment Panel, which is responsible for appointing an independent valuer to perform the functions referred to in article 4 of that Order. The Panel is also responsible for removing the independent valuer from office on the ground of incapacity or serious misconduct. HM Treasury has indemnified members of the Appointment Panel against any and all claims, losses, damages and liabilities incurred by Panel members in connection with or arising from their membership of the Panel and the performance of the Panel's functions.(Treasury Minute dated 2 November 2009)	Unquantifiable
An indemnity similar to those given to civil servants under the Civil Service Management Code has been given to the members of the board of Royal Mint Limited for the period between 16 July 2009 and 31 December 2009. The indemnity remains in place for one director who is a civil servant.	Unquantifiable
Under the terms of the sale of Northern Rock, HM Treasury has provided certain warranties and a tax indemnity to Virgin Money.	307,000
The warranties and tax indemnity are both time-limited and subject to an overall cap (100% of the final consideration in relation to the warranties in relation to title, capacity and authority and 35% of the final consideration in other cases). The warranties in relation to title, capacity and authority are considered to be so remote as to not meet the definition of a contingent liability.	
The National Loan Guarantee Scheme (NLGS) was launched on 20 March 2012 and will help businesses access cheaper finance by reducing the cost of bank loans under the scheme by 1 percentage point. Under the NLGS, the government will allow eligible banks to issue limited quantities of government guaranteed debt, currently £2.9bn worth of NLGS bonds have been issued. Banks will be required to pass on the resultant reduction in funding cost through a reduction in the interest rate (by up to 1 percentage point) charged on new loans to small businesses; businesses with turnover of less than £250 million per annum. The £2.9 billion contingent liability is unlikely to increase in the short term, in light of the Bank of England's Funding for Lending Scheme (FLS).	2,900,000

Statutory

<p>Under the Northern Rock plc Compensation Scheme Order 2008 an independent valuer was appointed to assess what compensation, if any, is payable to former shareholders and others as a result of the company being taken into public ownership. On 30 March 2010 the valuer issued Assessment Notices and a Final Document, in which he concluded that no compensation is payable. Under the Order any affected party may request the valuer to reconsider his assessment, and may refer his revised assessment to the Upper Tribunal (formerly the Financial Services and Markets Tribunal). The valuer issued a revised assessment notice on 4 October 2010 upholding his view that the amount payable to former Northern Rock shareholder is nil. A number of former shareholders referred the case to the Upper Tribunal, where a hearing took place in May 2011. On 6 October 2011, the Upper Tribunal announced that it had upheld the valuer's decision. Subsequently, former shareholders applied to the Upper Tribunal for permission to appeal to the Court of Appeals. On 28 October 2011, the Upper Tribunal granted permission to former shareholders to appeal its ruling on the correct interpretation of the Withdrawal Assumption. The Upper Tribunal refused permission to</p>	Unquantifiable
<p>On 7 July 2009 the Dunfermline Building Society Compensation Scheme, Resolution Fund and Third Party Compensation Order 2009 (“the Order”) came into force. Under the Order HM Treasury is liable to pay to specified third parties any amount of compensation determined to be payable by the independent valuer appointed to perform the functions referred to in article 4 of that Order. (Treasury Minute dated 4 June 2009)</p>	Unquantifiable
<p>Pool Re and Pool Re (Nuclear) are responsible for arrangements for reinsurance of industrial and commercial property damage and consequential business interruption arising from terrorist attacks in Great Britain (excluding Northern Ireland). Treasury carries the contingent liability for these risks. These arrangements are given statutory authority under the Reinsurance (Acts of Terrorism) Act 1993.</p>	Unquantifiable
<p>HM Treasury continues to indemnify the liquidators and receivers (the Officeholders) of Barlow Clowes pursuant to the deeds of indemnity dated 3rd April 1991 and 29th March 1994. Maximum potential liabilities under this intervention are unquantifiable.</p>	Unquantifiable
<p>Under the Financial Services and Markets Act 2000 (Dissolution of Insurance Brokers Registration Council) (Consequential Provisions) Order 2001 which came in to force on 30 April 2001, all assets and liabilities of the Insurance Brokers’ Registration Council (IBRC) passed to HM Treasury. HM Treasury Minute of 10 April 2001 complemented this order by indemnifying former members of the IBRC in their personal capacity. Maximum potential liabilities under this intervention are considered unquantifiable.</p>	Unquantifiable
<p>The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 requires HM Treasury to give a guarantee or to make other arrangements for the purposes of securing the assets of the remaining section of the Bradford & Bingley Pension Scheme are sufficient to meet its liabilities. This “remaining section” comprises the whole Scheme other than the portion relating to service with Bradford & Bingley International; responsibility for that latter part in effect transferred to Abbey on 29 September 2008. HM Treasury has therefore guaranteed to pay or procure the payment of any benefit amount which falls due for payment from the remaining section at a time when there are insufficient assets to pay that amount.</p>	14,700

<p>The Deed of Indemnity between HM Treasury, the Bank of England and BEAPFF provides that BEAPFF on behalf of itself and its officers and directors may at any time claim payment under the indemnity in respect of any indemnified losses incurred. The losses include all claims, losses, damages, liabilities, etc suffered or incurred by BEAPFF or its officers or directors as a result of, arising out of, in connection with, or which are attributable to, BEAPFF carrying on activities pursuant to or in connection with the APF, save to the extent that the losses arise from BEAPFF's own wilful default or reckless disregard of its obligations. Maximum potential liabilities under this intervention are considered unquantifiable.</p>	Unquantifiable
<p>The Royal Mint Trading Fund has a Memorandum of Understanding (MOU) arrangement with the National Loans Fund by which it can draw down funds in the form of a financing facility subject to demand. The upper limit of this financing facility is £50 million. If the Royal Mint Trading Fund was unable to meet this commitment the National Loans Fund funding conditions dictate that the amount outstanding would have to be met from within the Treasury's DEL .</p>	50,000

