

Office of Fair Trading

Introduction

This Supplementary Estimate is required for the following purposes:

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
			£
i. Budget transfer from Department of Business, Innovation and Skills for activity relating to Internet Enforcement funding.	500,000		
ii. Budget Exchange funding from 2011-12 programme budget to 2012-13, to help relieve pressure on budgets in 2012-13.		-1,126,000	
iii. Increase in gross expenditure offset by increased income arising from Consumer Credit Licence fees and Anti Money Laundering fees.	2,100,000	-2,100,000	
iv. Transfer to cover increased IT costs in the OFT.		-100,000	
v. Attribution of income to Administration to cover various costs including accommodation and IT infrastructure.	4,000,000	-4,000,000	
Total change in Resource DEL (Voted)	6,600,000	-7,326,000	-726,000
i. Increase in the level of provisions to cover potential adverse litigation costs.	15,000,000		
Total change in Resource AME (Voted)	15,000,000		15,000,000
i. Transfer to cover increased IT costs in the OFT.	100,000		
Total change in Capital DEL (Voted)	100,000		100,000
Revisions to the net cash requirement reflect changes to resources and capital as set out above.			
Total change in Net cash requirement			-626,000

Part I

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-726,000	-	-726,000
Capital	100,000	-	100,000
Annually Managed Expenditure			
Resource	15,000,000	-	15,000,000
Capital	-	-	-
Total Net Budget			
Resource	14,274,000	-	14,274,000
Capital	100,000	-	100,000
Non-Budget Expenditure	-		
Net cash requirement	-626,000		

Supplementary amounts required in the year ending 31 March 2012 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, 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.

Part II: Changes Proposed

£'000

	Present		Net Resources Changes		Revised		Present	Net Capital 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	16,894	41,588	-100	-626	16,794	40,962	662	100	762
<i>Of which:</i>									
A Administration	16,894	41,588	-100	-626	16,794	40,962	662	100	762
Total Spending in DEL			-100	-626				100	
Spending in Annually Managed Expenditure (AME)									
Voted expenditure	-	500	-	15,000	-	15,500	-	-	-
<i>Of which:</i>									
B Provisions in AME	-	500	-	15,000	-	15,500	-	-	-
Total Spending in AME			-	15,000				-	
Total for Estimate			-100	14,374				100	
<i>Of which:</i>									
Voted expenditure			-100	14,374				100	
Non-voted expenditure			-	-				-	

£'000

	Present Plans	Changes	Revised Plans
Net cash requirement	56,739	-626	56,113

Part II: Revised subhead detail including additional provision

£'000

Revised Plans									
Resources						Capital			
Gross 1	Administration Income 2	Net 3	Gross 4	Programme Income 5	Net 6	Gross 7	Income 8	Net 9	
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
	20,794	-4,000	16,794	50,762	-9,800	40,962	762	-	762
<i>Of which:</i>									
A Administration									
	20,794	-4,000	16,794	50,762	-9,800	40,962	762	-	762
Total Spending in DEL									
	20,794	-4,000	16,794	50,762	-9,800	40,962	762	-	762
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
	-	-	-	15,500	-	15,500	-	-	-
<i>Of which:</i>									
B Provisions in AME									
	-	-	-	15,500	-	15,500	-	-	-
Total Spending in AME									
	-	-	-	15,500	-	15,500	-	-	-
Total for Estimate									
	20,794	-4,000	16,794	66,262	-9,800	56,462	762	-	762
<i>Of which:</i>									
Voted expenditure									
	20,794	-4,000	16,794	66,262	-9,800	56,462	762	-	762
Non-voted expenditure									
	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	58,982	14,274	73,256
Net Capital Requirement	662	100	762
Accruals to cash adjustments	-2,905	-15,000	-17,905
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-2,405	-	-2,405
New provisions and adjustments to previous provisions	-500	-15,000	-15,500
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	-	-	-
Use of provisions	-	-	-
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	56,739	-626	56,113

Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000
	Revised Plans
Gross Administration Costs	20,794
<i>Less:</i>	
Administration DEL Income	-4,000
Net Administration Costs	16,794
Gross Programme Costs	66,262
<i>Less:</i>	
Programme DEL Income	-9,800
Programme AME Income	-
Non-budget income	-
Net Programme Costs	56,462
Total Net Operating Costs	73,256
<i>Of which:</i>	
Resource DEL	57,756
Capital DEL	-
Resource AME	15,500
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-
<i>Adjustments to remove:</i>	
Capital in the OCS	-
Non-Budget Consolidated Fund Extra Receipts in the OCS	-
Other adjustments	-
Total Resource Budget	73,256
<i>Of which:</i>	
Resource DEL	57,756
Resource AME	15,500
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	73,256

Part III: Note B - Analysis of Departmental Income

	£'000
	Revised Plans
Voted Resource DEL	-13,800
<i>Of which:</i>	
Administration	
Sale of goods and services	-4,000
<i>Of which:</i>	
Section A: Administration	-4,000
Total Administration	<u>-4,000</u>
Programme	
Sale of goods and services	-9,800
<i>Of which:</i>	
Section A: Administration	-9,800
Total Programme	<u>-9,800</u>
Total Voted Resource Income	<u>-13,800</u>

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

No CFER income or receipts are expected in 2011-12.

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	John Fingleton
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John Fingleton 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*.

