
Office of Rail Regulation

Introduction

1. This Estimate provides for expenditure for the Office of Rail Regulation (ORR) on the ambits of:

- a) administration, associated capital and other related costs (i.e. economic regulation); and
- b) Rail Safety Regulation.

Further details of the expenditure covered by the requests for resources can be found in the combined Annual Report and Resource Accounts for the Office of Rail Regulation to be published later this year.

2. ORR, as the combined economic and safety regulator, is responsible for railway health and safety matters and the regulation of access to railways and promotion of competition in the provision of rail services. It is also responsible for promoting efficiency and economy for those providing railway services and protecting the interests of railway service users.

3. ORR's expenditure in respect of economic regulation is offset by income from Network Rail Infrastructure Limited in the form of licence fee payments. Expenditure in respect of safety regulation is either recovered from railway services providers by means of a levy based on relevant turnover or from recovery of cost incurred by the Channel Tunnel Safety Authority (CTSA) and the Intergovernmental Commission (IGC).

4. Symbols are explained in the Introduction to this booklet.

Office of Rail Regulation

Part I

	£
Request for Resources 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation	2,000
Total net resource requirement	2,000
Net cash requirement	1,000

Amounts required in the year ending 31 March 2010 for expenditure by the Office of Rail Regulation on:

RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation

Administration, capital expenditure and associated non-cash items

The **Office of Rail Regulation** will account for this Estimate.

	£		
	Net total	Allocated in Vote on Account	Balance to complete/ surrender
RfR 1	2,000	-	2,000
Total net resource requirement	2,000	-	2,000
Net cash requirement	1,000	143,000	-142,000

Part II: Subhead detail

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non-operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation									
33,814	-	40	33,854	33,852	2	750	-	3	2
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Administration, associated capital and other expenditure								
12,214	-	40	12,254	12,253	1	750	-	2	1
B	Rail Safety Regulation								
21,600	-	-	21,600	21,599	1	-	-	1	1
Total for Estimate:									
33,814	-	40	33,854	33,852	2	750	-	3	2

Part II: Resource to cash reconciliation

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement	2	3	2
Voted capital items			
Capital	750	750	599
Less Non-operating A-in-A	-	-	-
Total net voted capital	750	750	599
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	35	71	53
Depreciation	-1,026	-1,066	-1,168
New provisions and adjustments to previous provisions	-55	-6,055	-415
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-38	-38	-37
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	5,999	-27
Increase (-) / Decrease (+) in creditors	-	1,000	1,660
Use of provisions	-	-	95
Total accruals to cash adjustments	-1,084	-89	161
Excess cash to be CFERd	333	656	3,784
Net Cash Requirement	1	1,320	4,546

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2009-10		2008-09		2007-08	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	-	-
Non-operating income not classified as A in A	-	-	-	-	12	<i>12</i>
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>333</i>	-	<i>656</i>	-	<i>3,784</i>
Total	-	<i>333</i>	-	<i>656</i>	12	<i>3,796</i>

Forecast Operating Cost Statement

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Administration Costs			
RfR 1	2	3	2
Total Net Administration costs	2	3	2
Total Net Operating Cost	2	3	2
<i>of which:</i>			
Net Resource Requirement	2	3	2
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Reduction in planned spend unable to be included in Estimate	-	-	-
Resource Budget	2	3	2

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement (Estimates)	2	3	2
<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 in the OCS	-	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	2	3	2
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	-	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	2	3	2
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2	3	2
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Voted Capital (Estimates)	750	750	599
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-12
Capital Budget (Budget)	750	750	587
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	750	750	587
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following Accounting Officer appointments have been made for the Request for Resources within this Estimate:

Request for Resources 1: Bill Emery, Permanent Head of Department

Bill Emery, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Bill Emery 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 the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are set out in chapter 3 of *Managing Public Money* issued by the Treasury.

Notes to the Main Estimate *(continued)*

Analysis of operating appropriations in aid (A in A)

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation			
Administration	33,852	36,792	30,495
<i>of which:</i>			
Regulatory licences, fines, penalties and taxes	33,852	36,792	30,495
Total RfR 1	33,852[†]	36,792	30,495
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of the administration of the Office of Rail Regulation, including charges for courses, officers loaned to other organisations; income from publications and Library service; travel costs recovered from the European Community (EC); income from recovery actions in connection with the successful outcome of Judicial review; and receipts of licence fees.</i>			
Total Operating A in A	33,852	36,792	30,495

Notes to the Main Estimate (*continued*)
Analysis of Consolidated Fund extra receipts

£'000

	2009-10 Provision		2008-09 Provision		2007-08 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash surrenders to the CF ●	-	333	-	656	-	3,784
Excess capital income Φ	-	-	-	-	12	12
Total	-	333	-	656	12	3,796

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	2	-	2
<i>of which: †</i>			
Administration budget	2	-	2
Near-cash in RDEL	-1,082	-	-1,082
Capital DEL ††	750	-	750
Less Depreciation †††	-1,026	-	-1,026
Total DEL	-274	-	-274

† The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† 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.

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2009-10 of £2,000 is 33.3 per cent lower than the final net provision for 2008-09 of £3,000 and the forecast outturn for 2008-09 of £3,000.

Cash which may be retained to offset expenditure

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
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.	33,852	36,792	30,495

