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# Office of Fair Trading

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## Introduction

1. The Office of Fair Trading (OFT) is an independent consumer protection and competition authority. Its goal is to make markets work for consumers. This is achieved by enforcing competition and consumer protection law, investigating markets and through an active communications strategy.
2. Further details of the department's expenditure can be found in the OFT Annual Report.
3. Symbols are explained in the Introduction to this booklet.

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# Office of Fair Trading

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## Part I

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<b>Request for Resources 1: Advancing and safeguarding the economic interests of UK consumers</b>	<b>66,070,000</b>
<b>Total net resource requirement</b>	<b>66,070,000</b>
<b>Net cash requirement</b>	<b>64,793,000</b>

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

### **RfR 1: Advancing and safeguarding the economic interests of UK consumers**

Administrative and operational costs and associated non-cash items.

The **Office of Fair Trading** will account for this Estimate.

	£		
	Net total	Allocated in Vote on Account	Balance to complete
<b>RfR 1</b>	<b>66,070,000</b>	<b>30,465,000</b>	<b>35,605,000</b>
<b>Total net resource requirement</b>	<b>66,070,000</b>	<b>30,465,000</b>	<b>35,605,000</b>
<b>Net cash requirement</b>	<b>64,793,000</b>	<b>29,876,000</b>	<b>34,917,000</b>

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**Part II: Subhead detail**

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non-operating	Net Total	Net Total
Admin	Other	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>									
76,156	1,914	-	78,070	12,000	66,070	1,331	-	67,703	77,879
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Administration								
76,156	1,914	-	78,070	12,000	66,070	1,331	-	67,703	77,879
<b>Total for Estimate:</b>									
76,156	1,914	-	78,070	12,000	66,070	1,331	-	67,703	77,879

## Part II: Resource to cash reconciliation

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Resource Requirement</b>	<b>66,070</b>	<b>67,703</b>	<b>77,879</b>
<b>Voted capital items</b>			
Capital	1,331	1,364	1,495
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<b>1,331</b>	<b>1,364</b>	<b>1,495</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-412	-424	105
Depreciation	-2,141	-2,194	-2,108
New provisions and adjustments to previous provisions	-	-	-1,847
Profit/loss on sale of assets	-	-	-41
Prior period adjustments	-	-	-
Other non-cash items	-55	-55	-54
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	5,519	-1,455
Increase (-) / Decrease (+) in creditors	-	1,000	-1,513
Use of provisions	-	-	290
<b>Total accruals to cash adjustments</b>	<b>-2,608</b>	<b>3,846</b>	<b>-6,623</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>64,793</b>	<b>72,913</b>	<b>72,751</b>

### 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):

	<b>£'000</b>					
	<b>2009-10</b>		<b>2008-09</b>		<b>2007-08</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	9,033	10,456
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	1,000	1,000	3,200	3,200	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>3,200</b>	<b>3,200</b>	<b>9,033</b>	<b>10,456</b>

## Forecast Operating Cost Statement

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Administration Costs</b>			
RfR 1	64,156	65,142	75,829
<b>Total Net Administration costs</b>	<b>64,156</b>	<b>65,142</b>	<b>75,829</b>
<b>Net Programme Costs</b>			
RfR 1	1,914	1,961	2,050
Non-voted	-	-	-9,033
<b>Total Net Programme costs</b>	<b>1,914</b>	<b>1,961</b>	<b>-6,983</b>
<b>Total Net Operating Cost</b>	<b>66,070</b>	<b>67,103</b>	<b>68,846</b>
<i>of which:</i>			
Net Resource Requirement	66,070	67,703	77,879
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-9,033
Reduction in planned spend unable to be included in Estimate	-	-600	-
<b>Resource Budget</b>	<b>66,070</b>	<b>67,103</b>	<b>77,838</b>

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Resource Requirement (Estimates)</b>	<b>66,070</b>	<b>67,703</b>	<b>77,879</b>
<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	-	-	-9,033
Reductions in planned spend unable to be included in Estimate	-	-600	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>66,070</b>	<b>67,103</b>	<b>68,846</b>
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-41
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	-	-	9,033
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget (Budget)</b>	<b>66,070</b>	<b>67,103</b>	<b>77,838</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	66,070	67,103	77,838
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
<b>Net Voted Capital (Estimates)</b>	<b>1,331</b>	<b>1,364</b>	<b>1,495</b>
<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	-	-	-
Increases in planned spend unable to be included in Estimate	-	600	-
Other adjustments	-	-	-
<b>Capital Budget (Budget)</b>	<b>1,331</b>	<b>1,964</b>	<b>1,495</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,331	1,964	1,495
Annually Managed Expenditure (AME)	-	-	-

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## 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:** John Fingleton, CEO of OFT

John Fingleton, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. John Fingleton 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
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>			
<b>Administration</b>	12,000	13,128	-
<i>of which:</i>			
Sale of goods and services	12,000	13,128	-
<b>Total RfR 1</b>	<b>12,000†</b>	<b>13,128</b>	<b>-</b>
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recovery of legal costs, fees for common services provided to other departments, contributions from other departments towards the cost of market studies, recoveries of VAT, recovery of salaries of staff on loan or seconded to outside bodies, sale of plant and machinery, Competition Act fees, Consumer Credit Licence Fees, Anti Money Laundering fees, BERR funding for Consumer Direct development, and payments from Home Office under the recovered assets incentivisation scheme.</i>			
<b>Total Operating A in A</b>	<b>12,000</b>	<b>13,128</b>	<b>-</b>

## Notes to the Main Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

£'000

	2009-10		2008-09		2007-08	
	Provision Income	Receipts	Provision Income	Receipts	Outturn Income	Receipts
Fees for administration of the Consumer Credit Act 1974 ●	-	-	-	-	5,572	7,400
Fees charged for mergers under the Fair Trading Act 1973 and Enterprise Act 2002 ●	-	-	-	-	2,925	2,805
Penalties imposed under the Competition Act 1998 ●	-	-	-	-	37	-
Appeal costs reimbursed ●	-	-	-	-	181	-
Other Income ●	1,000	1,000	3,200	3,200	318	251
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>3,200</b>	<b>3,200</b>	<b>9,033</b>	<b>10,456</b>

## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	66,070	-	66,070
<i>of which: †</i>			
Administration budget	64,156	-	64,156
Near-cash in RDEL	63,462	-	63,462
Capital DEL ††	1,331	-	1,331
Less Depreciation †††	-2,141	-	-2,141
Total DEL	65,260	-	65,260

† 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 £66,070,000 is 2.4 per cent lower than the final net provision for 2008-09 of £67,703,000 and 2.4 per cent lower than the forecast outturn for 2008-09 of £67,702,000.

### 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.	12,000	13,128	-

