
Department of Energy and Climate Change

Introduction

The Department of Energy and Climate Change has one Request for Resources. RfR 1: Supporting the provision of energy that is affordable, secure and sustainable; bringing about a low carbon UK; securing an international agreement on climate change; promoting low carbon technologies at home and in developing countries; managing historic energy liabilities effectively and responsibly.

2. This Request for Resources provides for expenditure on energy-related activities including regulation, support for new and sustainable energy; work towards international obligations and international agreement on climate change; discharge of liabilities falling to the Department, mainly coal and nuclear.

3. A detailed analysis of appropriations in aid for this Request for Resources and related income, and Consolidated Fund Extra Receipts can be found in the Notes to the Estimate.

4. A number of grants in aid and international subscriptions in excess of £ 1 million are borne by this Request for Resources. These are listed in the Notes to the Estimate.

5. Fuller details of the Department's plans and outturn can be found in the Departmental Annual Report and Resource Accounts published later this year.

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

Department of Energy and Climate Change

Part I

	£
Request for Resources 1: Supporting the provision of energy that is affordable, secure and sustainable; bringing about a low carbon UK; securing an international agreement on climate change; promoting low carbon technologies at home and in developing countries; managing historic energy liabilities effectively and responsibly.†	2,878,823,000
Total net resource requirement	2,878,823,000
Net cash requirement	3,226,606,000

Amounts required in the year ending 31 March 2010 for expenditure by the Department of Energy and Climate Change on:

RfR 1: Supporting the provision of energy that is affordable, secure and sustainable; bringing about a low carbon UK; securing an international agreement on climate change; promoting low carbon technologies at home and in developing countries; managing historic energy liabilities effectively and responsibly.

Support for energy-related activities including regulation, civil emergency planning, environmental remediation and support for new and sustainable energy sources, security and non-proliferation; 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.

Respond to fuel poverty needs; measures to improve energy efficiency, security and environmental practice; promote and support actions to reduce global greenhouse gas emissions; climate modelling and risk assessment.

Work towards international agreement on climate change; subscriptions and contributions to international organisations and fulfilment of international treaty obligations.

Payments to the Department for Business, Enterprise and Regulatory Reform towards the costs of the Regional Development Agencies and the London Development Agency.

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; grant-in-aid and subsidies to support delivery bodies; surveys, monitoring, statistics, advice and consultancies; licensing, approvals and certification; inspections and compliance in accordance with EU regulatory requirements.

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

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	2,878,823,000	1,102,542,000	1,776,281,000
Total net resource requirement	2,878,823,000	1,102,542,000	1,776,281,000
Net cash requirement	3,226,606,000	1,311,184,000	1,915,422,000

† In the Vote on Account 2009-10 RfR1 was entitled "Responding to the challenges of ensuring that the provision of energy is affordable, secure and sustainable; bringing about a transition to a low-carbon Britain; achieving an international agreement on climate change; and promoting low carbon technologies in developing countries."

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: Supporting the provision of energy that is affordable, secure and sustainable; bringing about a low carbon UK; securing an international agreement on climate change; promoting low carbon technologies at home and in developing countries; managing historic energy liabilities effectively and responsibly.									
93,512	325,535	3,622,533	4,041,580	1,162,757	2,878,823	121,600	-	2,809,371	2,482,390
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Supporting affordable, secure and sustainable energy								
-	18,457	60,070	78,527	1,963	76,564	-	-	74,069	72,450
B	Managing historic energy liabilities effectively and responsibly								
-	9,577	555	10,132	1,155,795	-1,145,663	-	-	-1,241,568	-1,438,234
C	Bringing about a low carbon UK								
-	163,559	651,075	814,634	-	814,634	121,600	-	653,868	525,463
D	Developing an international agreement on climate change								
-	9,858	-	9,858	-	9,858	-	-	26,266	49,822
E	Promoting low carbon technologies in developing countries								
-	12,000	100,000	112,000	-	112,000	-	-	55,800	-
F	Professional support and infrastructure								
93,512	-	-	93,512	-	93,512	-	-	98,320	95,245
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
G	Managing historic energy liabilities effectively and responsibly								
-	107,084	2,508	109,592	-	109,592	-	-	203,265	59,783
Non-Budget									
H	Supporting affordable, secure and sustainable energy								
-	5,000	-	5,000	4,999	1	-	-	-	663
I	Managing historic energy liabilities effectively and responsibly								
-	-	2,804,768	2,804,768	-	2,804,768	-	-	2,939,351	3,117,198
J	Bringing about a low carbon UK								
-	-	3,557	3,557	-	3,557	-	-	-	-
Total for Estimate:									
93,512	325,535	3,622,533	4,041,580	1,162,757	2,878,823	121,600	-	2,809,371	2,482,390

Part II: Resource to cash reconciliation

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement	2,878,823	2,809,371	2,482,390
Voted capital items			
Capital	121,600	1,944	-
Less Non-operating A-in-A	-	-	-
Total net voted capital	121,600	1,944	-
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-98,688	-86,053	-57,997
Depreciation	-2,987	-3,105	-4,247
New provisions and adjustments to previous provisions	-31,329	-218,891	-120,181
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-120	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-1
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	359,307	574,244	980,679
Total accruals to cash adjustments	226,183	266,195	798,253
Excess cash to be CFERd	-	-	-
Net Cash Requirement	3,226,606	3,077,510	3,280,643

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 Provision		2008-09 Provision		2007-08 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	32,555	<i>32,555</i>	-	-	-	-
Non-operating income not classified as A in A	409,000	<i>409,000</i>	450,275	<i>450,275</i>	419,000	<i>419,000</i>
Other amounts collectable on behalf of the Consolidated Fund	60,000	<i>60,000</i>	124,479	<i>124,479</i>	60,535	<i>60,262</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	501,555	<i>501,555</i>	574,754	<i>574,754</i>	479,535	<i>479,262</i>

Forecast Operating Cost Statement

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Administration Costs			
RfR 1	93,512	98,320	95,245
Total Net Administration costs	93,512	98,320	95,245
Net Programme Costs			
RfR 1	2,785,311	2,711,051	2,387,145
Non-voted	-32,555	-	-
Total Net Programme costs	2,752,756	2,711,051	2,387,145
Total Net Operating Cost	2,846,268	2,809,371	2,482,390
<i>of which:</i>			
Net Resource Requirement	2,878,823	2,809,371	2,482,390
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-32,555	-	-
Reduction in planned spend unable to be included in Estimate	-	-	-
Resource Budget	1,284,120	5,677,990	6,628,201

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)	2,878,823	2,809,371	2,482,390
<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	-32,555	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	2,846,268	2,809,371	2,482,390
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
Capital grants	-694,900	-501,086	-409,291
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-1	-	-663
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Resource consumption of non departmental public bodies	-891,247	3,369,705	4,555,765
Unallocated resource provision	24,000	-	-
Other adjustments	-	-	-
Resource Budget (Budget)	1,284,120	5,677,990	6,628,201
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,105,163	1,089,003	648,759
Annually Managed Expenditure (AME)	178,957	4,588,987	5,979,442

Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Voted Capital (Estimates)	121,600	1,944	-
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-409,000	-450,275	-419,000
Capital spending by non-departmental public bodies	1,210,805	1,205,601	1,075,881
Capital grants	694,900	501,086	409,291
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	-	-	-
Capital Budget (Budget)	1,618,305	1,258,356	1,066,172
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,027,305	1,708,631	1,485,172
Annually Managed Expenditure (AME)	-409,000	-450,275	-419,000

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: Moira Wallace

Moira Wallace, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Moira Wallace 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 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: Supporting the provision of energy that is affordable, secure and sustainable; bringing about a low carbon UK; securing an international agreement on climate change; promoting low carbon technologies at home and in developing countries; managing historic energy liabilities effectively and responsibly.			
Programme	1,162,757	1,345,031	1,556,299
<i>of which:</i>			
Sale of goods and services	1,162,757	1,345,031	1,556,299
Total RfR 1	1,162,757†	1,345,031	1,556,299
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts relating to the Nuclear Decommissioning Authority and the oil and gas industries (including petroleum licencing royalties)</i>			
Total Operating A in A	1,162,757	1,345,031	1,556,299

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

£'000

	2009-10		2008-09		2007-08	
	Income	Provision <i>Receipts</i>	Income	Provision <i>Receipts</i>	Income	Outturn <i>Receipts</i>
Receipts of the Coal Authority ●	-	-	-	-	271	-
Application fees for petroleum exploration and production licences, and initial and periodic payments (rents). Royalty on petroleum won and saved ●	60,000	60,000	-	-	60,262	60,262
EU Emissions Trading Scheme ●	-	-	124,479	124,479	-	-
Non-nuclear energy miscellaneous receipts ●	-	-	-	-	2	-
National Nuclear Laboratory Φ	555	555	-	-	-	-
Distribution of surpluses from coal industry pension scheme Δ	286,000	286,000	286,000	286,000	286,000	286,000
Release from Coal pensions Fund Investment Reserve Δ	123,000	123,000	133,000	133,000	133,000	133,000
BNFL/Urenco dividend Δ	32,000	32,000	31,275	31,275	-	-
Total	501,555	501,555	574,754	574,754	479,535	479,262

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

£'000

	Voted	Non-voted	Total
Resource DEL	-743,825	1,848,988	1,105,163
<i>of which: †</i>			
Administration budget	93,512	-	93,512
Near-cash in RDEL	-767,357	1,893,482	1,126,125
Capital DEL ††	826,330	1,200,975	2,027,305
Less Depreciation †††	-2,987	-4,104	-7,091
Total DEL	79,518	3,045,859	3,125,377

† 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 £2,878,823,000 is 2.5 per cent higher than the final net provision for 2008-09 of £2,809,371,000 and 26.8 per cent higher than the forecast outturn for 2008-09 of £2,270,021,000.

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.	1,162,757	1,345,031	1,556,299

Notes to the Main Estimate (*continued*)**Expenditure resting on the sole authority of the Appropriation Act**

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

RfR/Section	Service	£'000
RfR1 A3	Non-proliferation: international subscriptions	20,275

Notes to the Main Estimate (*continued*)
Grants in aid

RfR/Section	Body	£'000
RfR1 I	The Coal Authority ♥	33,076
RfR1 I	The Nuclear Decommissioning Authority ♥	2,768,692
RfR1 I	The Civil Nuclear Police Authority ♥	3,000
RfR1 J	Committee on Climate Change ♥	3,557

Notes to the Main Estimate (*continued*)**International Subscriptions**

RfR/Section	Body	£'000
RfR1 A3	International Atomic Energy Agency	15,943
RfR1 A3	Organisation for the Prohibition of Chemical Weapons	4,332
